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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations and report of the Board of Auditors

Report of the Advisory Committee on Administrative and Budgetary Questions

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Abbreviations

AMISOM	African Union Mission in Somalia
BINUB	United Nations Integrated Office in Burundi
BONUCA	United Nations Peacebuilding Support Office in the Central African Republic
CNMC	Cameroon-Nigeria Mixed Commission
MINURCAT	United Nations Mission in the Central African Republic and Chad
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSTAH	United Nations Stabilization Mission in Haiti
MONUC	United Nations Organization Mission in the Democratic Republic of the Congo
OIOS	Office of Internal Oversight Services
UNAMA	United Nations Assistance Mission in Afghanistan
UNAMI	United Nations Assistance Mission for Iraq
UNAMID	African Union-United Nations Hybrid Operation in Darfur
UNDOF	United Nations Disengagement Observer Force
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon
UNIOSIL	United Nations Integrated Office in Sierra Leone
UNIPSIL	United Nations Integrated Peacebuilding Office in Sierra Leone
UNLB	United Nations Logistics Base at Brindisi, Italy
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMIN	United Nations Mission in Nepal
UNMIS	United Nations Mission in the Sudan
UNMIT	United Nations Integrated Mission in Timor-Leste
UNMOGIP	United Nations Military Observer Group in India and Pakistan
UNOCI	United Nations Operation in Côte d'Ivoire
UNOGBIS	United Nations Peacebuilding Support Office in Guinea-Bissau
UNOMIG	United Nations Observer Mission in Georgia
UNOWA	United Nations Office for West Africa
UNPOS	United Nations Political Office for Somalia

UNRCCA	United Nations Regional Centre for Preventive Diplomacy for Central Asia
UNSCO	Office of the United Nations Special Coordinator for the Middle East Peace Process
UNSCOL	United Nations Special Coordinator for Lebanon
UNTSO	United Nations Truce Supervision Organization

I. Introduction

1. In section II below, the Advisory Committee on Administrative and Budgetary Questions addresses matters arising from the reports of the Secretary-General on peacekeeping operations, including, where relevant, reference to recommendations or observations of the Board of Auditors. In section III, the Committee comments on general issues arising solely from the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2008 (A/63/5 (Vol. II), chap. II). Section IV contains the observations and recommendations of the Committee on reports on other peacekeeping matters. The Committee's recommendations with respect to the comprehensive report of the Secretary-General on strengthening the capacity of the United Nations to manage and sustain peacekeeping operations (A/63/702 and Corr.1) are reflected in its report on the support account for peacekeeping operations (A/63/841).

II. Reports of the Secretary-General on the financing of peacekeeping operations

A. General observations and recommendations

2. The Advisory Committee first issued a general report on peacekeeping operations in 1994 in response to a perceived need by the Committee to find a way of dealing with cross-cutting issues that pertain to more than one mission. Since 1994, the issuance of a general report has become an annual practice, although the intention of the Committee at the time was to issue such a report only when there were pressing cross-cutting issues that needed to be addressed. In 2003, the Secretary-General issued an overview report on peacekeeping operations and has done so annually, except at the fifty-ninth session of the General Assembly, in 2005. The Committee comments on issues contained therein if they pertain to issues already under consideration for inclusion in its general report. The Assembly traditionally adopts a resolution on cross-cutting peacekeeping issues, although it did not do so in 2008. For this reason, in the present report, the Committee has, in some cases, reiterated its previous recommendations (see A/62/781).

3. **The Advisory Committee recognizes that the overview report is a valuable tool for evaluating the overall management and performance of peacekeeping operations, the budgets of which total over $8 billion for the 2009/10 financial period. The Committee recommends that an overview report continue to be issued annually; however, in the Committee's view, it may be that not all of the cross-cutting issues addressed in the report need policy direction and guidelines from the General Assembly on an annual basis. The Committee also emphasizes that the overview report should focus on the main challenges and emerging trends and make clear recommendations for action by the Assembly. In that light, the Assembly may wish to examine the periodicity of its action on the overview report, as appropriate.**

4. The Advisory Committee recalls that, prior to the adoption of General Assembly resolution 49/233 A, the consideration of peacekeeping items was interspersed among the numerous issues that were before the Assembly, resulting in the inability of both the Advisory Committee and the Fifth Committee to complete

their work in a timely manner. After the adoption of Assembly resolution 49/233 A, in an effort to rationalize its programme of work, the Advisory Committee instituted a special winter session to deal with peacekeeping issues, and the Fifth Committee made similar arrangements, adding a spring/summer session.

5. During the Advisory Committee's 2009 winter session, however, in addition to the proposed peacekeeping budgets for the financial period 2009/10, the Committee considered two requests for commitment authority for the MINURCAT and two for AMISOM, as well as a request for an additional appropriation for 2008/09 for UNMIS. It also considered separate reports of the Secretary-General on National Professional Officers (A/62/762), the welfare and recreation needs of all categories of personnel (A/63/675 and Corr.1), progress of training in peacekeeping (A/63/680), death and disability benefits (A/63/550) and the methodology for rates of reimbursement to troop-contributing countries (A/63/697).

6. The Advisory Committee also took up a number of reports on non-peacekeeping issues, such as the capital master plan; a strengthened and unified security management system for the United Nations; information and communications technology security, disaster recovery and business continuity for the United Nations; estimates in respect of special political missions, good offices and other political initiatives; the financing of core diplomatic training activities of the United Nations Institute for Training and Research; and amendments to the staff regulations, as well as a number of reports to governing bodies of the United Nations funds and programmes.

7. **The Advisory Committee makes every effort to maintain a programme of work that fosters the orderly consideration of the various issues before the General Assembly. The consideration of non-peacekeeping issues during its peacekeeping session is disruptive and time-consuming. Many of the issues facing the various peacekeeping missions are interrelated. Furthermore, in the opinion of the Committee, many of the non-peacekeeping issues presented for consideration would be addressed more coherently if they were considered in the context of the regular budget. The Committee is of the view that the discipline of considering peacekeeping matters as a separate exercise, which enables its full concentration on those matters, should be restored. The Committee believes that an effort must be made to return to the schedule envisaged when the change in the peacekeeping financing cycle was approved by the Assembly in its resolution 49/233 A.**

8. **The Advisory Committee points out that proper budget preparation starts in the field. It is up to the Secretary-General to ensure that staff with the requisite skills are recruited and retained in the missions so that a relatively polished product can be submitted to Headquarters. Benchmarks must be set for quality and timeliness, including the timely submission of complete responses to the Committee's requests for additional information. It is imperative that deadlines for the presentation of proposals be set early enough so that staff at Headquarters, the Advisory Committee, the Fifth Committee and the General Assembly all have sufficient time to conduct a proper review. Whatever the circumstances surrounding the submission schedule, it is not reasonable that the preparation of peacekeeping budgets begins in July and is finished only in March or April of the following year, particularly given advances in information technology, the long experience of the Secretariat in**

preparing such budgets and the number of personnel dedicated to this task (see para. 9 below). Accordingly, the Secretariat should plan to have available all of the documentation necessary for the Committee's consideration of the financing of peacekeeping operations by the time it starts its peacekeeping session in late January or early February.

9. **As to the budget process at Headquarters, the Advisory Committee points out once again that there are two substantial units in different departments at Headquarters deeply engaged in preparing the same product, and notes the significant resources devoted to the peacekeeping budgeting process (a total of 43 staff in the Department of Field Support, 48 in the Department of Management and 99 in the field) (see annex I). It thus seems clear that the present process for preparing budgets for the peacekeeping operations is inefficient, ineffective and duplicative. In the Committee's view, the substantial investment that the Organization has made in the budgeting process for peacekeeping operations, including with respect to technological innovations, should be yielding a better return. The Committee therefore reiterates its recommendation that the General Assembly request the Secretary-General to present options for reorganizing and streamlining the peacekeeping budget process (see A/63/781, para. 14).**

10. **The Advisory Committee takes note of the report of the Secretary-General on action taken to improve the timely submission of documents for the Fifth Committee (A/63/735) and welcomes the efforts made to improve the documentation process for the peacekeeping session, through, inter alia, the establishment of an interdepartmental task force. While the report shows that the situation in 2009 has improved in comparison to 2008, the Committee points out that the statistics provided in the report only go as far as 23 February 2009 and should be updated to facilitate consideration of the document by the General Assembly. Furthermore, the Committee regrets that the full documentation packages, including supplementary information, for a number of peacekeeping missions, including, in particular, some of the larger missions, were either submitted late in the Committee's session or were not submitted at all during the session. This was the case, for example, for the support account for peacekeeping operations, MONUC, MINURCAT and UNLB. As a result, the present report does not benefit from the Committee's observations on some missions.**

B. Budget presentation and results-based budgeting

11. **The Advisory Committee notes and welcomes the inclusion of the planning assumptions at the beginning of the budget proposals and their expansion, as recommended by the Committee in its last general report on administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (see A/62/781, para. 9). In the Committee's view, this enables a clearer understanding of the elements underpinning the budget proposals.**

12. The Advisory Committee also welcomes the expansion of the section on efficiency gains and service improvements. The Committee notes, however, that these are still confined to the support component. **In the Committee's view, there is a need for greater effort to expand the scope of potential efficiencies.** In this

connection, the Committee recalls that in paragraph 83 of its previous general report on peacekeeping, it had expressed the expectation that the impact of training could potentially bring about efficiencies (the Committee comments further on training in peacekeeping in section IV below). **For the future, the Committee requests that the next overview report provide information on measures taken to enhance efficiency and on the cumulative results achieved. Furthermore, such gains should be reported in the individual performance reports. Care should be taken to appropriately identify efficiency gains as opposed to savings. For example, the transfer of vehicles from one mission to another should not be considered an efficiency gain for the receiving mission.**

13. The Advisory Committee recognizes the ongoing efforts to improve the presentation and logical frameworks of the peacekeeping budgets. **However, it emphasizes the need for further improvement and consistency in the budgets of the support account and the peacekeeping operations.** For example, in the support account budget, the expected accomplishments are repetitive, and many indicators of achievement are too broad to facilitate measurement; some indicators of achievement appear to be unrealistic or vague; and outputs are too detailed and descriptive of daily duties. **In this context, the Committee is of the view that the Secretary-General should continue to improve the results-based budgeting presentation, in conformity with the SMART (specific, measurable, attainable, relevant and time-bound) principles.**

14. The Advisory Committee notes a tendency in the overview report, as well as in the individual budgets, to use general explanations such as the "surge" in peacekeeping activities and increased "complexity" of operations to support arguments in favour of introducing new initiatives and increasing resource requirements. **In the view of the Committee, the overview report would benefit from more analysis and less description.**

C. Financial management and budgetary issues

15. The Advisory Committee notes that the overall budget implementation rate decreased from 95.5 per cent in the 2006/07 period to 92.7 per cent in 2007/08. The main factors affecting budget performance are described in paragraph 9 of the overview report (A/63/696). In this connection, the Committee notes that the Secretariat has imposed upon itself a system whereby missions have the discretion, with authorization from the Controller, to redeploy funds between classes of expenditure (military personnel, civilian personnel and operational costs) subject to the following limitations: (a) the authorized strength of military and police personnel cannot be exceeded; (b) the staffing table (number and level of posts) for civilian personnel must be respected; and (c) funds allocated to quick-impact projects cannot be increased without prior approval from the Director of the Peacekeeping Financing Division. Upon request, the Committee was provided with a list of redeployments in all missions for 2007/08 (see annex II). **The Committee reiterates its recommendation that future performance reports include a fuller explanation of the redeployments between major expenditure categories that are authorized by the Controller (see A/62/781, para. 16).**

16. **The Advisory Committee continues to consider that budget implementation should be judged on the basis of efficiency in the use of**

resources and the achievement of the objectives set out in the results-based-budgeting frameworks rather than on the basis of a high budget expenditure rate. In this connection, the Committee emphasizes once again that a distinction must be made between savings, which are in essence cost reductions achieved through efficiency measures, and underexpenditures, which may be a reflection of delays in the implementation of programmed activities or their non-implementation.

17. A salient feature of the overview report is the sharp increase in the total resources proposed for peacekeeping operations for 2009/10 as compared with the total approved budget for 2008/09. Upon request, the Advisory Committee was provided with an update of table 8 of the overview report, which shows the proposed requirements for the 2009/10 period (see annex III below). Including the cost estimates for the United Nations Logistics Base at Brindisi, Italy, and the support account for peacekeeping operations, the total proposed peacekeeping budgets for 2009/10 are estimated at $8.2 billion, an increase of 11.9 per cent in comparison to the apportionment for 2008/09 of $7.3 billion. Expenditures for 2007/08 amounted to $6.3 billion. The Advisory Committee notes that there were 15 peacekeeping missions in 2007/08 and 2008/09 plus UNLB and the support account. With the termination of the mandate of UNMEE, effective 31 July 2008, the estimates for 2009/10 include 14 missions. The table also includes information concerning support for AMISOM. **In the view of the Committee, an increase of this size in the overall level of the total peacekeeping budget brings with it an obligation to ensure a commensurate level of oversight and financial control.**

18. The Advisory Committee notes that the Department of Field Support has expanded the "Abacus" initiative, which provides for the fielding of budget teams from Headquarters to missions to assist with budget preparation in seven peacekeeping operations (MINUSTAH, MINURCAT, MONUC, UNAMID, UNIFIL, UNMIS, UNMIT) for the 2009/10 financial period. Upon enquiry, the Committee was informed that the Abacus initiative had improved the budget process by reducing the review time required by the Department of Field Support from three weeks to one day and that the initiative had contributed to the on-time submission of all of the proposals to the Controller. The Committee was also informed that a perceived further advantage of the Abacus initiative was the ownership that the missions have over the final budget submission, in that required revisions are undertaken by the mission with the support of the Abacus team. The Committee was further informed that the Abacus teams consist of budget officers from the Field Budget and Finance Division, accompanied for part of the time by a human resources officer from the Field Personnel Division, an officer from the Logistics Support Division and often an information and communications technology officer, and that the costs involved for the Abacus team visits included travel and subsistence costs for the Department of Field Support teams. According to the information provided to the Committee, Abacus teams provide in-depth guidance and experience on budget/financial, human resources, logistical and communications/information technology policy issues affecting the budget that are not available in the mission. The Committee was further informed that a budget officer from the Peacekeeping Financing Division would, in the future, participate as a member of the Abacus team at the end of the team's visit to represent the Controller's interests. **The Committee expects that by having the Peacekeeping Financing Division participate in the Abacus team, all budget documents will**

be issued on time (see para. 10 above). Upon request, the Committee was provided with a chart showing the budget preparation timeline (see annex IV).

19. **The Advisory Committee commends the Secretariat for thinking proactively and for taking practical measures to deal with the shortcomings in the budget formulation process. However, the Committee reiterates its view that the Abacus initiative is not a long-term solution or a substitute for well-trained staff in the missions (see A/62/781, para. 15). Moreover, despite assertions of reductions in the time required for budget review as noted above, the Committee, at the time of writing of the present report, still had not received the full package of documentation for two of the missions that had received Abacus visits, namely, MONUC and MINURCAT. The Committee recommends that the Secretary-General report to the General Assembly on the effectiveness of the Abacus initiative in his overview report.**

20. As noted above, during its winter 2009 session, the Advisory Committee received several requests for commitment authority with assessment for the 2008/09 period. **The Committee has, in the past, commented extensively on the use of commitment authority with assessment in connection with the financing of peacekeeping operations, pointing out that routine use of the mechanism represents a departure from good budget practice and discipline (see A/61/567, paras. 6-11). The Committee points out, once again, that commitment authority, by its nature, is decided upon on an urgent basis for the start-up of a new mission or the expansion of an existing one (see financial regulation 4.6) prior to the considered reasoning that goes into preparing a full budget and setting up an organizational structure. As such, under section IV of General Assembly resolution 49/233 A, commitment authority constitutes a short-term funding bridge mechanism pending the timely submission of fully detailed and justified budgets. Therefore, this instrument should be used as sparingly as possible. Accordingly, the Committee once again calls for a return to stricter adherence to proper budget procedure, whereby assessments are decided on the basis of an appropriation duly approved by the General Assembly after the consideration of a complete and fully justified budget submission.**

D. Military personnel

21. The Advisory Committee notes that the projected number of military and police personnel for 2009/10 will exceed 115,000. In this connection, the Committee notes the persistent difficulties faced by the United Nations in force generation and the deployment of troops, especially in newly established and expanded missions (for example, MONUC, UNAMID and UNIFIL). The attainment of authorized troop strength is challenged by a variety of factors, including the lack of appropriate accommodations, difficulties associated with the transport of contingent-owned equipment in difficult terrain and the lack of appropriate infrastructure to support deployment. **The General Assembly may wish to request the Secretary-General to provide, in the next overview report, information on existing mechanisms, strategies and efforts to deal with such challenges.**

22. The Advisory Committee comments on death and disability compensation and rates of reimbursement to troop-contributing countries in section IV below.

E. Civilian personnel

23. The adoption by the General Assembly of resolution 63/250 will have far-reaching effects on the staffing of peacekeeping operations. Among the principal changes that will affect peacekeeping are the approval of new contractual arrangements comprising three types of appointments (temporary, fixed-term and continuing) under one set of staff rules, the discontinuation of the practice of assigning staff from Headquarters to missions on a travel status basis for more than three months, the designation of existing established missions as family missions and existing special missions as non-family missions and the decision that all staff appointed or assigned to non-family missions will be installed in accordance with the conditions of service of the United Nations common system, without the special operations approach. Those changes should put staff in the peacekeeping operations on an equal footing with those at headquarters duty stations and should go a long way towards the development of a global workforce that can be managed flexibly to meet operational and organizational needs. The new regime should address many of the perennial issues faced by the peacekeeping operations, namely, problems with staff recruitment and retention; the need to be able to move staff from mission to mission as operational requirements change; the morale problems created by differing conditions of service among staff serving in the same peacekeeping operation; the need to offer staff in peacekeeping operations a career development path; and the need to simplify the administration of the contractual framework. However, much will depend on how the new regime is implemented in practice. Upon enquiry, the Advisory Committee was informed that the total financial implications of the implementation of General Assembly resolution 63/250 as reflected in the proposed budget for 2009/10 are estimated at $75.9 million (see annex V).

24. The Advisory Committee was informed that once field staff have gone through a competitive process subject to review by a central review body, their appointments will no longer be limited to service at any specific mission. Those staff will be considered as internal candidates when applying for vacancies anywhere in the Secretariat. The Under-Secretaries-General for Peacekeeping Operations and Field Support will also be permitted to laterally reassign staff across missions, in line with the provisions of administrative instruction ST/AI/2006/3, which grants authority to heads of departments and offices to laterally assign staff under their responsibility within their department or office. This will, among other things, provide greater flexibility in placing staff from downsizing missions or in deploying staff to newly established or expanding missions.

25. The Advisory Committee was informed that, in applying the United Nations common system conditions of service to non-family missions, without the special operations approach, the conditions of service of mission staff will be aligned with those of the Secretariat. Mission staff will no longer be considered to be in perpetual travel status, but will be installed at the non-family duty station with the payment of assignment grant, post adjustment, mobility and hardship allowances and rental subsidy and the shipment of personal effects. The Committee was informed that, as all staff assigned to a non-family mission, including those on assignment from Headquarters, will be installed and will receive the same rates of post adjustment and other allowances, there will be greater equity in the compensation of mission staff. The Committee was also informed that staff on assignment from Headquarters

to a non-family mission would continue to maintain a lien against their post at the parent duty station for up to two years. However, there would be no compensation for maintaining a separate residence for their family members at the parent duty station, which could make mission assignment less appealing to some staff at Headquarters duty stations.

26. The proposed budgets of the peacekeeping missions reflect conversions of international General Service staff to the Field Service category. According to the Secretary-General, this is a procedural, technical measure made necessary by the fact that the Integrated Management Information System (IMIS) is not programmed to process post adjustment and related entitlements for General Service staff. This issue had not previously arisen because under the regime in effect until July 2009, international General Service staff are in receipt of mission subsistence allowance, not post adjustment.

27. The Advisory Committee was informed that this was a temporary change for the duration of the mission assignment only. It does not constitute a promotion and does not change the staff member's appointment status. The status remains that of a local recruit, who temporarily receives international benefits by virtue of mission assignment. Pensionable remuneration remains at the General Service level for the duration of the mission assignment. The staff member reverts to the General Service category upon return to the parent duty station. The Committee was informed that this practice was not new, as it had been long-standing practice to assign General Service staff members to established missions where they received post adjustment instead of mission subsistence allowance. The Secretary-General thus proposes that, since the salary and common staff costs of General Service staff on assignment to a non-family mission will be the same as for a staff member in the Field Service category, it would be more appropriate to budget the posts at the Field Service level.

28. The Advisory Committee recalls its recommendation that the harmonization of conditions of service would need to be implemented in a manner that would not reduce the overall compensation of staff already serving. In response, the Committee notes from paragraph 32 of the overview report (A/63/696) that a personal transition allowance will be paid to affected staff, at an estimated cost of approximately $18 million for the first 12 months of implementation. The Secretary-General indicates that the cost of the allowance would be absorbed from within existing resources to the extent possible and reported in the performance reports of the individual missions. The Committee was informed, upon enquiry, that some staff, primarily at the lower salary levels, may initially experience a reduction in their compensation package. This is due to the fact that mission subsistence allowance is paid at a flat rate regardless of salary level or dependency status, whereas post adjustment is paid as a percentage of salary, and other allowances, such as mobility and hardship allowance, are paid at different amounts depending on grade and dependency status. Upon enquiry, the Committee was informed that the allowance would be phased out over the next four years, to be discontinued effective 1 July 2013. The payment will be discontinued earlier if the total monthly amount of post adjustment, mobility allowance, hardship allowance, non-removal allowance and rental subsidy reaches or exceeds the total monthly amount of the after-30-day mission subsistence allowance that the staff member was in receipt of for his or her duty station on 30 June 2009 or if the staff member is reassigned to a new duty station under conditions that give rise to the payment of travel and assignment grant at United Nations expense. The Committee notes that the total cost of the personal

transition allowance is unknown at this time, as it depends on changes in the level of post adjustment and other entitlements, as well as staff movements.

29. Upon enquiry, the Advisory Committee was informed that the total number of existing posts and positions involved in human resources functions in the field and at Headquarters amounted to 702, and a total of 71 new human resources posts and positions are requested for the 2009/10 period. **The Committee requests that a breakdown of those staff by function and mission, along with details concerning their duties, as well as workload indicators and outputs, be provided in the next overview report.**

30. As indicated in paragraph 12 of the overview report, the average current vacancy rate is approximately 25 per cent, while the turnover rate hovers at 30 per cent for Professional staff, with the result that more than half of the international staff currently serving have less than two years of peacekeeping experience. **The Advisory Committee is troubled by the high vacancy and turnover rates that continue to plague the peacekeeping missions**. It notes that the Department of Field Support has continued to deploy "tiger teams" to deliver direct assistance related to recruitment and administrative and technical needs of the field operations in the area of human resources management. As indicated in paragraph 15 of the overview report, in 2007/08, staff selection tiger teams were deployed to UNAMID, MINURCAT and UNMIT, while career development tiger teams were deployed to UNMIK, UNMIN, MONUC, UNIOSIL, the International Independent Investigation Commission, UNOMIG and UNMEE. The Committee comments further on this issue in its report on the support account.

31. On the issue of turnover rates, the Advisory Committee has noted that in a number of missions there is a tendency for staff to separate following a very short tenure with the mission. This is both costly and disruptive. **The Committee believes that measures should be taken to support a minimum period of assignment. Further, the practice of allowing staff who have arrived recently to be recruited by other missions should be curtailed. The Committee notes the new measures that have been introduced in implementation of General Assembly resolution 63/250, as well as the initiatives on staff welfare and recreation and career development, which will, it is hoped, have a positive impact on the recruitment and retention of staff in the field.**

32. The Advisory Committee notes that the Secretary-General intends to introduce central review body mechanisms in the field to increase the transparency of the roster development function. Upon enquiry, the Committee was informed that those bodies would review the process leading to the recommendation of candidates for inclusion in rosters in all occupational groups and that the membership of the bodies would comprise equal numbers of representatives from field missions nominated by the Field Staff Union, representing the staff, and representatives from peacekeeping operations and special political missions who have been nominated by the Directors/Chiefs of Mission, representing management. All members of the field central review bodies would be staff serving in peacekeeping operations, and the meetings of the bodies would be held through videoconference or other electronic means. **The Committee notes this initiative and expects that it will ensure fairness in the staffing process. The Committee stresses that this innovation should not add further delays to the process.**

33. The Advisory Committee notes that lessons learned from the pilot project on the implementation of human resources action plans in MINUSTAH, UNAMA, UNMIL, UNMIS and UNMIT have been incorporated into a template, which was subsequently introduced in all field missions financed through peacekeeping budgets as from 1 July 2008. Upon enquiry, the Committee was informed that the pilot projects had led to the development of a Web-based human resources management tool for data compilation that would assist missions in meeting the objectives and targets of their human resources action plans. The application is designed to facilitate the online preparation, presentation, performance monitoring and reporting of the human resources action plan. It is a self-monitoring tool that gathers information with breakdowns at various levels, such as grade level, category of staff and organizational unit. It is expected that the tool will allow the missions to monitor progress in meeting goals and to take remedial action as appropriate. **The Committee recommends that an evaluation of the effectiveness of the human resources action plans and the new human resources management tool be provided in the next overview report, including clarification of the central monitoring responsibilities of the Office of Human Resources Management.**

34. **The Advisory Committee recommends that the Secretary-General provide information to the General Assembly at the second part of its resumed sixty-fourth session concerning the basis upon which the staffing needs of peacekeeping operations are determined, especially with regard to support staff, as well as an analysis of which functions should be provided for each mission and which are better performed centrally. The Committee further recommends that the staffing structures of the missions be continually reviewed with a view to identifying possible redeployments and functions that are no longer required.**

35. **The Advisory Committee notes the initiatives that the Career Development Unit has undertaken, as described in paragraphs 22 to 24 of the overview report of the Secretary-General. An assessment of the impact of these measures should be provided in the overview report to be submitted to the General Assembly at its sixty-fifth session.**

36. Upon enquiry, the Advisory Committee was informed that, out of a total of 252,446 applications for positions in peacekeeping operations received between 1 July 2007 and 30 June 2008, 13,516 were cleared as having met all or most of the requirements of the vacancy announcements, but approximately 130,000 of the applications received were not reviewed, as resources were not available. A total of 2,872 offers were made, of which 533 were rejected, 994 were for lateral movements, 399 were for promotions and only 946 were for new recruits.

37. A new software platform, the talent management system, is to be implemented in 2009. According to the Secretary-General, the primary objective of the talent management system is to implement a streamlined and efficient human resources management solution for the Organization, incorporating industry best practices for all stages of the employee life cycle, including vacancy management, rostering, mobility, career development, workforce planning, external sourcing, automated "on-boarding", succession planning and performance management (see A/63/696, para. 18). The Advisory Committee understands that the new talent management system will be compatible with the enterprise resource planning system.

38. **The Advisory Committee expects that, in the implementation of the new talent management system, there will be proper coordination among the departments involved as well as with the Office of Information and Communications Technology, and that it will be properly aligned with the enterprise resource planning project, to ensure that there is no duplication of effort. Furthermore, the Committee expects that the new system will help the Organization to deal with the overwhelming number of applications it receives and will result in faster recruitment and lower vacancy rates in the missions. The Committee emphasizes the importance of ensuring that the functionalities of the talent management system are aligned with United Nations human resources management policies for recruitment and selection. The next overview report should include information on the impact of the implementation of the new system on the staffing of peacekeeping operations.**

39. The Advisory Committee was informed that the Field Personnel Division had recently undertaken a number of outreach activities to identify and attract qualified female candidates at all levels in the Professional category. **The Committee recommends that the Secretary-General develop a focused approach to increasing the recruitment of qualified women candidates and improving the gender balance in the peacekeeping operations. Results achieved in that regard should be reported in the next overview report.**

40. The Advisory Committee has long maintained that proper budgetary procedure requires that continuing functions be carried out by staff occupying established posts (see A/59/736, para. 55). The General Assembly, in section VIII of its resolution 59/296, expressed concern at the practice of hiring individual contractors or individuals on procurement contracts for functions of a continuing nature and requested the Secretary-General to revert to the Assembly for its consideration of the creation of a post if the function was so warranted. In addition, in section XI, paragraph 1, of its resolution 63/250, the Assembly requested the Secretary-General to adhere to existing guidelines on the selection and recruitment of consultants and individual contractors. The Committee was informed that a total of 238 individual contractors had been proposed for conversion in the 2009/10 financial period — 18 in MINURCAT, 14 in MINUSTAH, 36 in UNLB and 170 in UNMIS. **The Committee recommends that in future overview reports, the Secretary-General report on efforts made to respond to resolution 59/296.**

F. Operational requirements

Air operations

41. The Advisory Committee notes the significant growth in the cost of air transportation, with total proposed requirements of $1.1 billion for 2009/10 for 246 aircraft (an increase of 23 per cent over 2008/09). The Committee points out that this figure does not include the costs related to charters for troop rotation. Upon request, the Committee was provided with information on air operations requirements since 2007/08 (see table 1).

Table 1
Air operations requirements
(Thousands of United States dollars)

	2007/08 actual expenditure	*2009/09 appropriation*	*2009/10 proposed*
Peacekeeping operations	583 466	845 779	1 051 062
Special political missions	46 175	53 583	60 000
Total	**629 642**	**899 362**	**1 111 062**

42. In paragraph 39 of the overview report, the Secretary-General describes measures being undertaken by the Department of Field Support to improve the efficiency and cost-effectiveness of air operations, based on a regional and global concept methodology. This will involve the implementation of new route structures based on a hub-and-spoke principle, whereby smaller aircraft or helicopters from major hubs will be used to distribute passengers and cargo to smaller landing sites.

43. The Advisory Committee was informed that the concepts of global fleet utilization, fleet segment optimization and the hub-and-spoke principle were interdependent cornerstones of the current strategic approach to the provision of air support to worldwide peacekeeping operations. It was clarified to the Committee that fleet segment optimization is concerned with matching aircraft capacity and capability to specific requirements given varying Security Council mandates, different theatres of operation and demand at any given time and place. In commercial markets, aircraft fleets are characterized by "segment", such as narrow body, wide body, regional jet, turboprop, executive and heavy, medium or light helicopters. Fleet composition and segment optimization are directly allied to the hub-and-spoke principle, which entails the identification of appropriate regional hubs for the larger strategic air assets. Emanating from those hubs, regional "spokes" will be developed, wherein smaller tactical aircraft will feed directly into areas of operation of the missions. It is expected that this will facilitate a measured approach to the development of aviation infrastructure, particularly airfield development, and may avoid some duplication of effort within each mission. Fleet utilization is concerned with operating the fleet with a maximum load factor for the optimal number of flying hours.

44. The Secretary-General indicates in paragraph 40 of the overview report that the Strategic Air Operations Centre at UNLB forms the central platform for the management of aircraft deployed for strategic airlift, using the global concept of fleet utilization and the regional approach to segment optimization. Upon enquiry, the Committee was informed that the initial focus of the Centre was on the implementation of the regionalization strategy, utilizing air assets from the Department of Field Support/Department of Peacekeeping Operations western and eastern African reserve fleets and operations support for short-term troop rotation flights to peacekeeping missions. A phased approach to the development of the capacity and capability of the Centre would be taken, and, in the medium term, the global integrated fleet management concept would be implemented to support Department of Peacekeeping Operations strategic aviation requirements worldwide. The Committee was also informed that, following completion of the final phase of

implementation, it was expected that efficiency gains could be measured and quantified.

45. The Advisory Committee notes these measures. **It nevertheless urges more rapid progress towards integrated fleet management**. The Secretary-General had previously informed the Committee, upon enquiry, that the task assignment among aircraft was fragmented and lacked an integrated organizational focus. He further indicated that the International Civil Aviation Organization (ICAO) had recommended that aircraft capacity in various missions be planned in a coordinated manner through the establishment of a centralized planning and tasking entity.

46. In addition to the issue of more integrated fleet management, the Advisory Committee considers it important to enhance the effectiveness of air services procurement. The Committee notes that, in spite of its observations and recommendations in paragraphs 43 and 44 of its previous general report on peacekeeping operations (A/62/781), the Secretary-General still has not responded to the findings of the analysis undertaken by a consulting firm on the impact of the new costing structure relating to air operations contracts. According to the Secretary-General, the consultancy could not identify any benefits that could be derived from the change in the cost structure. Furthermore, the consultancy concluded that there was a need to change the basis on which air services are secured by moving away from an invitation-to-bid strategy to a performance-oriented request-for-proposals approach. Upon enquiry as to efforts made to improve procurement services in respect of air operations, the Committee was informed that the Procurement Division had established a working group, together with the Department of Field Support, to review the current solicitation strategy and documentation. In addition, the Division had, in cooperation with the Department, updated its database and engaged in vendor outreach activities.

47. **The Secretary-General has been slow in responding to the issues raised by the consultant. The Advisory Committee is concerned that the present arrangements result in a patchwork of contracts that limits the possibilities for exploiting a higher level of aggregation of demand. Furthermore, the Committee notes an apparent low level of utilization of aircraft and points out that the seeming lack of predictability of demand may contribute to high fixed costs. The Committee also sees no evidence of measures to encourage fuel efficiency. With these considerations in mind, the Committee recommends that the General Assembly request the Secretary-General to report comprehensively at the second part of its resumed sixty-fourth session on air operations issues, including the following elements:**

(a) **Measures to improve the acquisition strategy, including the scope for aggregation of demand from multiple missions to enhance cost-effectiveness;**

(b) **Measures to optimize integrated air fleet management;**

(c) **A review of the experience with demand forecasting and measures to improve it, as necessary;**

(d) **The strategy for troop rotation;**

(e) **How fuel efficiency is taken into account in the management of air services;**

(f) **Exchange of views with the World Food Programme (WFP) on approaches to air fleet procurement and management, as well as on best practices;**

(g) **Circumstances regarding and experience with the utilization of letters of assist for the provision of air services;**

(h) **Optimal arrangements within the Secretariat for the management of air operations, including aviation risk management (see A/63/769).**

48. The Advisory Committee notes that the Department of Field Support and WFP, with the assistance of ICAO, have established a common set of aviation standards to promote aviation safety, mitigate risk to the Organization and United Nations personnel and facilitate interoperability and resource-sharing. The Department is also developing a management service agreement with ICAO to serve as an umbrella arrangement for the provision of certain management and technical certification support services in the areas of aerodrome development and civil aviation development for countries in which airfield infrastructure is in poor condition (see A/63/696, paras. 41 and 43).

49. On the issue of improvements to aviation infrastructure, the Advisory Committee notes the Secretary-General's observation in paragraph 42 of the overview report that the greatest number of accidents is caused by the ground environment at aerodromes. In addition to significantly enhancing safety, the improvement of airports and airfields would, according to the Secretary-General, enable larger and/or lower-cost aircraft to be utilized on the more direct routes over longer periods of the day, thereby improving operational effectiveness. Upon enquiry, the Committee was informed that the requirement for airfield improvement had developed in recent years as part of the operational needs of MONUC, UNMIS, UNAMID and MINURCAT and that, in most cases, ICAO had been requested to assess the requirements in technical terms in conjunction with the host country's civil aviation authority. The Committee was also informed that the improvement, enhancement and/or construction of new facilities to meet a mission's needs (involving the use of aircraft types or quantities for which a particular airfield was not designed) has been accepted as falling outside the terms and conditions of the status-of-forces/status-of-mission agreements. Thus those agreements do not state a specific role and responsibility of the host country in these circumstances. **While the Committee recognizes the need to upgrade some airport facilities in order to enable the mandates of the peacekeeping operations to be efficiently and effectively implemented, as well as to ensure the safety of United Nations personnel and aircraft, it continues to be of the opinion that significant work on and improvement of national airport infrastructure are the responsibility of the host country. The Committee has commented on this issue in the context of its report on the financing of UNAMID (see A/63/606, para. 41).**

50. In paragraph 44 of his overview report, the Secretary-General notes that the preliminary assessment of the activities of the Regional Aviation Safety Office at UNLB had been positive. The Department of Field Support is therefore pursuing the possibility of extending the scope of the Office, which currently serves UNMIK and UNOMIG, to include UNIFIL, UNFICYP and UNAMI. The Department also intends to move forward with the establishment of a regional aviation safety office for West African missions (UNMIL, UNOCI, UNIPSIL and UNOWA) during 2009/10 using existing resources. **The Advisory Committee recommends that the General**

Assembly request the Secretary-General to report on progress in this regard in the next overview report.

Fuel management

51. As the Board of Auditors noted, fuel represents a very large annual expenditure in the peacekeeping missions and, as a lucrative commodity, the scope for the misappropriation of fuel is considerable (see A/62/5 (Vol. II), chap. II, para. 168). The Advisory Committee was informed that approximate expenditures relating to fuel for the current fiscal year amounted to $500 million for petrol, oil and lubricants and related service contract costs and $40 million for United Nations-owned refuelling vehicles and mobile storage infrastructure. Staff costs are on the order of $18 million per year for 117 international staff and an estimated $3.3 million for 121 national staff in the field. Staff costs at Headquarters total approximately $700,000. The Committee was also informed that, based on existing contracts, the overall value of petrol, oil and lubricant contracts was projected at approximately $1.5 billion to the end of 2012.

52. Upon enquiry concerning the historical pattern of fuel costs, the Advisory Committee was informed that recent events had demonstrated the volatile nature of fuel pricing and the complexity and interdependence of the international market for petrol, oil and lubricant products, including aviation fuel, diesel, petrol, kerosene, lubricants and other petroleum products. Furthermore, the uncertainty in price stems from a complicated market structure that is driven by supply and demand and is affected by numerous external sources and related risks, including inflexible and interdependent supply systems, political and socio-economic needs, inherent product safety issues, technical sophistication, increasing environmental responsibilities, sustainable growth demands, reserves and the need for significant and increasing capital investment in the means of production. The Committee was also informed that price is based on market price plus a differential, which accounts for supplier services (such as transportation) and profit. The market price is obtained from publications such as *Platts Oilgram News* and is effectively the spot price for fuel at a given point in time. Current turnkey contracts (see para. 54 below) are structured to include monthly compensation for site support functions, which is independent of volume.

53. A reliable basis for forecasting costs for the next year is not readily evident to the Advisory Committee. **As a practical approach, the Committee has recommended that the budgetary assumption for fuel costs for 2009/10 be based on the average fuel cost for the first quarter of 2009, except in the case of UNMIS (see A/63/746/Add.5, para. 51)**. Upon request, the Committee was provided with a table showing, for each mission, the total requirements for fuel and the unit price per litre applied in the budget proposals for 2009/10, as well as an estimate of the total requirements and cost per litre calculated on the basis of the average fuel cost for the first quarter of 2009 (see annex VI). Taking into account the adjustment for UNMIS, this approach would result in a net total reduction for all peacekeeping operations of approximately $70 million.

54. In response to its enquiry concerning the progress of the fuel business process review and issues that the review was expected to address, the Advisory Committee was informed that, in the early part of the decade, increasing peacekeeping activity challenged the ability of the human resources system to provide sufficient staff to

support fuel operations. In 2004, the staffing concern became more acute with the forthcoming establishment of UNMIS, which precipitated a decision to outsource fuel support. This was achieved through the implementation of a turnkey fuel support contract whereby the contractor was responsible for the complete fuel supply chain and fuel operation. As the UNMIS experience was the first turnkey fuel support contract, a consultant was engaged — the International Air Transport Association (IATA) — to provide advisory services throughout the procurement process. IATA endorsed the turnkey approach and cited benefits such as decreased exposure to fraud, decreased operational and financial risk, reduced requirement to maintain in-house capacity and associated human resources, increased flexibility to scale support upward or downward and potentially lower service delivery costs over the life cycle. The decision was therefore made to implement the turnkey model in other peacekeeping missions where the fuel support contracts were due for retendering, including UNAMID, UNIFIL, MINUSTAH, UNMIL and MONUC.

55. The Advisory Committee was further informed that a consultancy had been engaged to complete an objective assessment of fuel support costs and performance for several missions, comparing turnkey and in-house models. The consultancy will also advise on the key criteria, variables and conditions that affect the selection of the service delivery model. The information will be used to determine the optimal support concept for future peace operations. **The Committee trusts that, whatever model is used, the need for a control environment that mitigates the risks to the Organization in this area will be given priority attention. The Committee expects that a progress report reflecting experience gained will be provided in the next overview report.**

56. Progress in the procurement of the new electronic fuel management system is discussed in paragraph 53 of the overview report. The Committee was informed, upon enquiry, that the new system would automate previously manual functions. The objective was to procure a system that would provide the capability to manage fuel operations at the enterprise, mission and site levels. The system should also be capable of functioning with a satellite-based communication infrastructure in low-bandwidth and high-latency conditions at multiple locations around the world. It is expected that the system will improve operating efficiencies and reporting and increase transparency across the supply chain, as well as reduce fraud. Upon enquiry concerning progress in the procurement of the system, the Committee was informed that, in accordance with the request for proposals, the system must be compatible with the enterprise resource planning system and that the Chief Information Technology Officer had provided the endorsement required by the Headquarters Committee on Contracts on 29 January 2009. **The Committee recognizes the importance of the implementation of the system and expects that every effort will be made to expedite it.**

57. In a related matter, the Advisory Committee notes that, in awarding contracts for vehicles and aircraft, the cost of fuel is not taken into account. The Committee points out that this model could potentially support the utilization of inefficient vehicles and aircraft (in terms of fuel usage), thereby resulting in higher overall costs for the Organization. **This issue should be addressed in the 2010/11 budget submissions.**

Facilities and infrastructure

58. Upon enquiry, the Advisory Committee was informed that estimates for purchasing prefabricated facilities in proposed budgets for the financial period 2009/10 amounted to $25.5 million. The Committee enquired concerning the feasibility of using local contractors and materials as opposed to prefabricated buildings. It was informed that the provision of prefabricated accommodation is generally a consequence of the United Nations policy to provide hardwall accommodation as soon as possible and, for contingents, within six months of deployment. The Committee was also informed that, if it is found necessary to construct or replace existing facilities, the mission will decide which approach to take on the basis of time, effort, cost and any other parameters, and that, in general, if local construction is considered, it would be decided on the basis of cost. Furthermore, the Committee was informed that the Secretariat does not have a policy on this issue. **The Committee believes that locally available materials and building techniques may be better suited to conditions existing in the mission area, as well as being more cost-effective, while also contributing to the local economy. The Committee therefore recommends that, as a matter of course, the Secretary-General, when planning a mission, actively consider using local contractors and materials rather than modular, prefabricated units.**

Spare parts

59. In its previous general report on peacekeeping, the Advisory Committee noted initiatives that were being undertaken to improve the management of vehicle spare parts to deal with problems in some missions of excessive stocks of spare parts or operational problems associated with delays in the delivery of spare parts (A/62/781, para. 55). The Committee had recommended that the Secretariat consider whether UNLB could play a role in that regard. Upon enquiry, the Committee was informed that, with the establishment of systems contracts as a consequence of the standardization of the vehicle fleet, the acquisition of spare parts was greatly simplified. Taking advantage of improved global logistics, it was felt that direct shipments from suppliers' global warehouses to the mission areas would not only improve the availability of spare parts at the right time, but would also result in reduced stock levels in missions and at UNLB. This approach would also reduce the risk of double handling and shipping costs and excessive administrative workload. UNLB would, however, continue to hold fast-moving spare parts for strategic deployment stocks, as well as the spare parts of liquidated missions, in the United Nations reserve inventory. The Board of Auditors also comments on this issue in its report.

Rations

60. The Advisory Committee was informed that an integrated electronic rations management system was expected to be launched in 2009. The system will be capable of tracking food items, identifying discrepancies, establishing an audit trail and automatically cross-referencing delivery notes with requisitions. The Committee was informed that the system would also allow the vendor to recognize patterns of consumption, which could contribute to reductions in both delivery times and food wastage. **The Committee notes this initiative and trusts that progress in its implementation will be included in the next overview report.**

Official travel

61. The Advisory Committee notes that requirements for official travel have increased for virtually every mission despite the development of information technology tools, such as videoconferencing. The justifications provided for the increases vary from the increased cost of travel on commercial airlines to increased official as well as training-related travel and payment of a higher rate of mission subsistence allowance for within-mission travel.

62. With regard to the latter, as indicated in paragraph 36 of the overview report, for staff travelling within the mission involving travel to another country, the existing policy providing for payment of the first-30-day mission subsistence allowance rate for the actual location of the overnight stay, in addition to the accommodation portion of the mission subsistence allowance at the regular duty station, will be maintained. For within-mission travel involving travel within the same country, staff will be paid the normal after-30-day allowance applicable to the regular duty station, plus the accommodation portion of the mission subsistence allowance rate to cover hotel costs at the overnight location. In a number of cases, missions had been paying a lower rate. The Committee notes that the pursuit of consistency in this matter has had the effect of cost escalation. **The Committee recommends that the Secretary-General develop a practical approach that would allow managers to exercise judgement on the basis of operational circumstances.**

63. **The Advisory Committee reiterates that the Secretariat should keep the level of travel expenses under close review because of concerns about cost and the disruption of the day-to-day work of staff owing to prolonged absences from duty stations. The Committee also reiterates, in this connection, that travel for training should be limited as much as possible, with emphasis placed on training of trainers, e-learning and other options where possible (see A/62/781, para. 50). The Committee expects that options for training will be managed under a coherent strategy to be outlined in the comprehensive report on training that the Committee has recommended in paragraph 148 below.**

G. Other issues

Liquidation process

64. At UNMEE, assets proposed for donation were transferred, in advance of a decision by the General Assembly, to the Government of Ethiopia, the Government of Eritrea and the African Union, and approval was sought ex post facto for the transfer (see A/63/761). The Advisory Committee notes that the Financial Regulations and Rules of the United Nations do not address the procedure for the placement of assets in temporary custody pending approval by the Assembly. **The Committee points to the need to codify the existing practice in the Liquidation Manual of the Secretariat, which should be in agreement with financial regulation 5.14.**

65. **The liquidation process should also include the classification and disposition of records at the mission. Clear criteria and procedures should be in place to allow the identification by the mission of records to be sent to Headquarters for archiving and those to be destroyed.**

Conduct and discipline

66. The Advisory Committee notes from the report of the Secretary-General on special measures for protection from sexual exploitation and abuse that the number of reported allegations of sexual exploitation or sexual abuse showed a marked decline, from 159 allegations in 2007 to 111 in 2008 (see A/63/720, para. 3). The Committee notes that measures to address conduct and discipline issues are beginning to achieve results. **In the Committee's view, the Secretariat should continue to build on the policies that have brought about those improvements.**

67. As regards the statement in paragraph 72 of the overview report that conduct and discipline teams share information with other United Nations entities and non-governmental organizations through the United Nations country teams, the Advisory Committee was informed upon enquiry that specific complaints or allegations are not shared; rather, what is shared at the country team level is information concerning training materials, codes of conduct, policies in place and mechanisms established to receive and handle complaints.

68. The Advisory Committee also notes, as indicated in paragraph 74 of the overview report, that the Working Group on Victim Assistance has prepared guidance material in the form of a draft implementation strategy, which was to be reviewed by the Task Force on Protection from Sexual Exploitation and Abuse in the first quarter of 2009. The Committee was informed, upon enquiry, that, while troop- and police-contributing countries are not represented in the working group, Member States would be consulted on and informed of progress made in implementation of the strategy, prior to the drafting of the report to be submitted pursuant to General Assembly resolution 62/214 on the implementation of the strategy. **The Committee regrets that troop- and police-contributing countries were not fully involved at the policy formulation stage and recommends that measures be taken to ensure their future participation in the process.**

Procurement

69. The Board of Auditors has cited a tendency towards poor acquisitions planning and frequent resort to the Headquarters Committee on Contracts for approval of ex post facto cases (a procurement action in which the contract is executed prior to obtaining advice from Headquarters or local committees on contracts). **The Advisory Committee reiterates its recommendation that the Secretariat continue to explore all options for realizing savings under procurement and for increasing local procurement. In addition, measures should be taken to enhance opportunities for vendors from developing countries and countries with economies in transition to participate in systems contracts in accordance with relevant General Assembly resolutions.** The Committee recalls that, in its resolution 61/246, the Assembly had requested the Secretary-General to prepare a comprehensive report on all aspects of procurement reform, including internal control measures. **The Committee urges the expeditious completion of the report, which is long overdue**. The Committee will comment further on procurement issues in the context of its consideration of the still-awaited report on procurement governance.

Safety and security

70. A significant number of additional security personnel are requested in the proposed budgets of the peacekeeping missions. The Advisory Committee

recognizes that, in many cases, the proposed new security staff are required; however, in the absence of a focused strategy it was difficult to assess the requirements. In this connection, the Committee recalls that the Secretary-General is preparing a comprehensive report on safety and security (see A/63/769, paras. 4 and 5). **The Committee expects that, in that context, the Secretary-General will take account of the requirements for security in the peacekeeping operations.**

Disarmament, demobilization and reintegration

71. Many large, integrated peacekeeping operations have a disarmament, demobilization and reintegration component as part of their mandate. The Advisory Committee observes, however, that often the situation on the ground does not permit the implementation of such activities during the early stages of a mission, and sometimes not for a number of years. **In the Committee's view, potential delays in disarmament, demobilization and reintegration programmes should be taken into account in preparing resource requirements for such missions. Accordingly, for some missions, where appropriate, the Committee has recommended the application of a higher vacancy factor for new staff requested for related functions.**

Inter-mission cooperation

72. The Advisory Committee notes the initiatives outlined in paragraphs 84 to 95 of the overview report. In particular, it notes that the Entebbe, Uganda, base, which currently serves as a logistics hub supporting MONUC, UNAMID, UNMIS, BINUB and special envoys, has assumed an important role in assisting the missions in the region. As noted in paragraphs 85 to 89 of the report, it also serves as a tier 2 disaster recovery and business continuity facility for those missions, as well as for MINURCAT, and provides other information and communications technology support functions, such as telephone services, radio (VHF/trunking), information technology assets management, information technology training and virtual warehousing of related equipment. In addition, the Department of Field Support intends to undertake a number of initiatives to extend the use of the Entebbe facility, including the establishment of a centralized service desk for the regional field missions, requisitioning, systems administration, back-office administrative processing, receiving and inspection and software installation. The Secretary-General indicates that, by centralizing those support capacities in Entebbe, an enabling environment will be created for flexible service delivery through the use of mobile mission support teams.

73. **The Advisory Committee recommends that the General Assembly request the Secretary-General to prepare a report for submission to the Assembly at its resumed sixty-fourth session on the effectiveness of the use of the Entebbe base, possibilities for expanding the services provided by Entebbe and the feasibility of applying a similar model to other regions.**

Cooperation with the African Union

74. The Advisory Committee notes that there are multiple entities and programmes tasked with supporting cooperation and coordination with the African Union, such as the Joint Support and Coordination Mechanism in Addis Ababa, which deals with issues related to the deployment of UNAMID, United Nations support for the

African Union Mission in Somalia; the United Nations Liaison Office in Addis Ababa, which is tasked with strengthening cooperation between the African Union and the United Nations in the areas of peace and development; the African Union Peacekeeping Support Team in the Department of Peacekeeping Operations; and mediation support activities of the Department of Political Affairs. **The Committee recommends that the Secretary-General review these arrangements with a view to rationalizing the current African Union support structure (irrespective of the funding source) and report thereon to the General Assembly at its sixty-fourth session.**

Business process improvement

75. Upon enquiry, the Advisory Committee was provided with details concerning the two-year business-process improvement initiative that the Department of Peacekeeping Operations and the Department of Field Support have embarked upon, with the collaboration of the Department of Management. The Committee was informed that, as part of this initiative, the Lean Six Sigma capacity-building programme aims at improving processes and attacking inefficiencies, such as waste caused by defective processes prone to error, non-value-added processes, defective flows of information or materials, poor data storage, overstocks of inventory, overproduction and extra processing. Each Lean Six Sigma project follows a defined sequence of steps (define, measure, analyse, improve and control) and sets quantifiable targets and goals for improvement. The Committee was informed that 11 projects had been approved under the first phase of the business process improvement initiative and the associated Lean Six Sigma capacity-building programme, 9 of which were completed in early March 2009. Upon request, the Committee was provided with details concerning the 11 projects (see annex VII). **The Committee notes these initiatives and looks forward to a progress report on their impact as part of the next overview report, which should identify, where feasible, tangible results. The report should also provide information on the Lean Six Sigma method and on the experience of other organizations with its application.**

76. In this connection, the Advisory Committee notes that a high-level business process re-engineering exercise was completed during the preparatory phase of the enterprise resource planning project prior to the acquisition of the software and that detailed review and re-engineering of business processes is an integral part of the implementation of the enterprise resource planning in the areas of human resources, finance and budget, supply chain, and central support services. The Committee also notes that the enterprise resource planning project structure comprises a process management team to lead business process improvement initiatives (A/62/510/Rev.1, figure I). **The Advisory that the Lean Six Sigma capacity-building programme will be coordinated with this and other business process improvement initiatives that are under way, including ongoing management reform initiatives, so as to avoid duplication and overlap and lead to the overall improvement of the management of the Organization. The Committee recommends that the General Assembly request the Secretary-General to ensure that the resources devoted to business process improvements are utilized efficiently and to report developments in the context of the report requested in paragraph 75 above.**

Information and communications technology

77. The Advisory Committee notes that a number of information technology systems for the management of human and financial resources are being developed by the information and communications technology units of the Department of Field Support, the Office of Human Resources Management and the Office of Programme Planning, Budget and Accounts. Examples of such systems include the talent management system; a learning management system; a salary survey system; an integrated data warehouse for reporting on staff information; a human resources action planning system; a content management system; a training management systems; and an enterprise budgeting application. In addition, a number of systems are being maintained and supported by those units, such as a treasury/investment system and the vendor registration system by the Procurement Management Service. The Committee also notes that a centre of excellence is being established in Bangkok for supporting the talent management system.

78. The Advisory Committee notes that some of the systems being developed and implemented by the Human Resources Information Systems Section and the Financial Information Operations Service are enterprise systems, supported Organization-wide by the departmental information and communication technology units, while others are locally driven by the departments' individual requirements. **The Committee is concerned by the potential for the proliferation of databases, resulting in fragmented and incompatible information systems, as well as inefficiencies and duplication of effort. It emphasizes that the information and communications technology units in the Department of Management should continue to work closely with the Chief Information Technology Officer to ensure that the new information technology initiatives are appropriately aligned with the information and communications technology strategy of the Organization and the future enterprise resource planning system.**

79. In this connection, the Advisory Committee recalls section II, paragraph 2, of General Assembly resolution 63/262 concerning information and communications technology, in which the Assembly stressed that "the implementation of the enterprise resource management system should aim at consolidating the management of all financial, human and physical resources under a single integrated information system for the entire Organization, including for peacekeeping and field missions". In that resolution, the Assembly also established the Office of Information and Communications Technology and requested the Secretary-General to provide a comprehensive inventory of information and communications technology capacities across the Secretariat, including dedicated and part-time personnel. The Committee was informed that the Office of Information and Communications Technology expects to complete the first phase of structural reviews of Secretariat-wide information and communications technology units with a view to rationalizing and harmonizing operations and structures. The Committee will revert to this issue in the context of its consideration of the proposed programme budget for 2010-2011.

III. Report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2008

80. During its consideration of the report of the Board of Auditors on the accounts of peacekeeping operations for the financial period ended 30 June 2008 (see A/63/5 (Vol. II), chap. II), the Advisory Committee met with the members of the Audit Operations Committee of the Board of Auditors.

81. In the present section, the Advisory Committee addresses some general issues related to the findings of the Board of Auditors. Its comments with respect to the Board's observations and recommendations on specific peacekeeping operations are contained in the reports of the Committee on those missions. In addition, the Committee makes observations and recommendations on cross-cutting issues also dealt with by the Board in the relevant sections below.

82. The audit covered:

(a) Headquarters operations;

(b) Fifteen active missions;

(c) UNLB;

(d) Twenty-five completed missions;

(e) The Peacekeeping Reserve Fund;

(f) The support account for peacekeeping operations;

(g) After-service health insurance.

83. The report also addresses requests made by the Advisory Committee and the General Assembly. The Board's main recommendations are listed in the summary at the beginning of its report. The Committee, in its previous report, had requested a review of contributions in kind, the cancellation of unliquidated obligations, the evolution of the support account and the effectiveness of the integrated mission planning process guidelines, as well as continued coverage of after-service health insurance, internal control regarding the management of fuel and rations, the inventory management of equipment and vehicle spare parts, results-based management, the implementation of the annual workplans of the Office of Internal Oversight Services and guidelines for the administration of quick-impact projects.

84. **The Advisory Committee commends the Board for the quality and comprehensiveness of its report, which facilitates examination of the peacekeeping performance reports and budgets by the Committee as well as the General Assembly. The Committee also welcomes the continuing improvements in the presentation of the report and appreciates the efforts made to have the report available at the start of the Committee's session on peacekeeping.**

85. The Board of Auditors issued a modified audit opinion with two emphases of matter on the financial statements for the period under review. The first emphasis of matter relates to the significant discrepancies between the results of the physical counts of non-expendable property at the various missions and the balances shown in the asset records. **The Advisory Committee shares the concern expressed by the Board and reiterates the need for those deficiencies to be addressed in a**

timely manner so that they will not continue to have an adverse impact on the ability of missions to effectively manage assets under their control.

86. The second emphasis of matter relates to the lack of disclosure of expendable property in the financial statements as well as discrepancies in the physical stock counts. **The Advisory Committee agrees with the Board that the accurate recording and disclosure of the value of all expendable property in the financial statements would improve transparency, accountability and financial reporting and would also improve management practice aimed at maximizing control and minimizing risk. The Committee comments further on these matters in paragraphs 93 and 94 below.**

87. **The Advisory Committee recalls that the Board, in its reports on the 2006/07 and 2005/06 financial periods, also issued a modified opinion and drew attention to matters of concern relating to, inter alia, unliquidated obligations, non-expendable property and cancellation of prior-period obligations. The Committee is of the view that the Board's issuance of modified opinions for three consecutive financial periods reflects negatively on the control environment in peacekeeping operations and raises doubts as to the efficient use of resources and the safeguarding of the Organization's assets. It is in the interest of the Organization that appropriate and timely remedial action be taken by management to resolve the concerns raised in these emphases of matter.**

88. In paragraph 11 of its report, the Board notes a decrease in the rate of implementation of the recommendations made for fiscal year 2006/07 as compared to the previous year. Of the 72 recommendations made for fiscal year 2006/07, including 24 "main" recommendations, 23 (32 per cent) had been implemented, 44 (61 per cent) had been partially implemented, and 5 (7 per cent) had not been implemented at the time of the Board's audit. In addition, of the partially implemented and unimplemented recommendations, at least 20 per cent are two years old or more.

89. As regards the 2007/08 financial period, the Board has issued a total of 105 recommendations, of which 41 are categorized as "main" recommendations. This represents a significant increase as compared to the previous period. The Secretariat indicates that the main recommendations will be given the highest priority for implementation. As indicated in paragraph 8 of its report, the Board's observations and conclusions were discussed with the Secretariat, whose views are reflected in the report. Subsequent to its hearings with the Audit Operations Committee, the Advisory Committee received an advance version of the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2008 (A/63/784). The Committee notes that the Secretariat has accepted most of the Board's recommendations, 30 of which are considered to have been implemented and 72 of which are in progress.

90. The Advisory Committee notes that numerous findings of the Board relate to deficiencies in planning, inconsistencies in the application of guidelines and delays in addressing matters requiring attention. Examples include delays and inconsistencies in the procurement process; vacancy management; replenishment of strategic deployment stocks; management of rations; management of the vehicle fleet; and management and reporting of expendable and non-expendable equipment.

The Committee notes that the Board's observations concern not only new or recent missions, but also relate to stable, established missions. The Committee also notes that the Board did not have before it the report of the Secretary-General on the evolution of the support account (A/63/767, sect. II) at the time of its reporting on this matter and that it was not able to conduct its review of the effectiveness of the guidelines for the integrated mission planning process or for the administration of quick-impact projects since the guidelines had not been finalized.

91. **The Advisory Committee considers that the Board's findings point to multiple weaknesses in the management of peacekeeping operations as well as continued inadequacies in internal control. This can hinder the effectiveness and efficiency of operations in field missions and could lead to losses for the United Nations. The Committee is concerned by the persistence of the same problems, which, in its view, points to insufficient managerial attention and a lack of accountability. Upon request, the Committee was provided with an analysis of common issues across peacekeeping operations, which is attached in annex VIII below. The Committee urges the Secretary-General to take the steps necessary to ensure that management responsibilities are clearly assigned, understood and discharged. It believes that the high vacancy rate for resident auditors in field missions (see para. 112 below) has contributed to the further weakening of the internal control environment in field missions. The Committee also believes that there is a need to promote and strengthen a cooperative relationship between management and resident auditors. Furthermore, immediate action should be taken to accelerate the rate of implementation of the recommendations of the Board of Auditors, as well as those of other oversight bodies. The Committee stresses the need for a clear definition of roles, responsibilities and mechanisms to hold individuals accountable for their areas of responsibility.**

92. The Board has reiterated a number of its previous recommendations, requesting the Secretary-General to identify the root causes of the recurring issues highlighted in its report, such as delays in the write-off and disposal of non-expendable property and the absence of properly defined indicators of achievement. **The Advisory Committee agrees with the Board that a thorough analysis of the causes of such recurring issues is essential to ensure that effective remedies can be developed and implemented.**

Expendable and non-expendable property

93. The Board of Auditors issued a modified audit opinion reiterating its concern with regard to expendable and non-expendable property because of significant discrepancies between physical counts and balances shown in computerized asset records, which indicate continued deficiencies in the asset management systems of various missions (see also A/62/823, paras. 15 and 16). The Board notes some improvements in the procedures for the physical verification and recording of assets in the Galileo system. However, its review shows continuing weaknesses in a number of missions, including incomplete physical verification of assets at UNMIS, UNMEE, MINURSO, UNFICYP, UNOMIG, UNAMID, MINURCAT and UNLB; lack of timely follow-up on discrepancy reports at MINUSTAH, UNDOF, UNMIS, UNIFIL and UNMIL; surplus stock levels and high stock ratios at UNMIS, UNAMID, UNLB, UNIFIL, UNDOF and UNMIT; lack of clarity in the categorization of items as expendable or non-expendable property at UNMIS,

UNAMID and UNDOF; and inadequate storage control, warehouse management and security at MINUSTAH, MINURSO, UNMIT and MONUC. The Board also cites instances of non-compliance with guidelines such as the 144 missing generators at UNMIL and the 431 unused air conditioners and the loss of customs clearance documents at UNMEE, as well as continued unexplained delays in the write-off and disposal of assets. The Board has issued a series of recommendations to address those issues, which have been accepted by the Secretariat. In the opinion of the Advisory Committee, the Board's findings point to inefficient and wasteful stewardship of the Organization's resources. **The Committee trusts that the Board's recommendations will be fully implemented without delay. It agrees with the Board's recommendation that full and complete physical verifications should be carried out to support the amount of non-expendable property disclosed in the notes to the financial statements in future financial periods.**

94. The Department of Management indicated that the Secretariat was not in a position to disclose the expendable property at present because of inadequate data input and record-keeping systems and that the Secretariat intended to consider those and other requirements arising from the implementation of the International Public Sector Accounting Standards (IPSAS) in conjunction with the enterprise resource planning system (A/63/5 (Vol. II), chap. II, para. 196). The Board notes that consolidating, inventorying, reconciling and valuing of all expendable and non-expendable property will be a milestone in the implementation of IPSAS and recommends that the Secretary-General expedite preparations for the recording of expendable property and disclosure of its value in the financial statements at the end of the financial period. **The Advisory Committee urges the Secretary-General to continue to strengthen asset management and to ensure adequate safeguards to prevent waste and financial loss to the Organization. It requests the Board of Auditors to continue its scrutiny of asset management matters and to provide an update in the context of its review of peacekeeping operations for the period 2008/09.**

Delayed contributions

95. The Advisory Committee notes that assessed contributions receivable increased by 25 per cent, from $1.26 billion as at 30 June 2007 to $1.58 billion, owing largely to a 45 per cent increase in the unpaid assessments of active peacekeeping missions, and that assessed contributions outstanding for more than two years represent 39 per cent of the total assessed contributions receivable. The Board, as indicated in paragraphs 21 to 26 of its report, is of the view that provision should be made for delays in the collection of outstanding assessed contributions. **In the view of the Advisory Committee, the issue of outstanding assessed contributions is a policy matter to be decided on by the General Assembly.**

Implementation of the International Public Sector Accounting Standards

96. As indicated in paragraphs 49 to 51 of the Board's report, the likely date for implementation of IPSAS is now 2012 because of delays in the acquisition of a new enterprise resource planning system (see also A/63/474, para. 25). The Advisory Committee notes that the delay could lead to cost escalation as well as postponement of the expected benefits of IPSAS, such as improved disclosure and reporting. **The Committee shares the Board's view that the timeline for the**

completion of the various activities leading to the full implementation of IPSAS should be carefully monitored and enforced (see also para. 94 above).

Support account for peacekeeping operations

97. In its previous reports on peacekeeping operations the Advisory Committee requested the Board to undertake an analysis of how the support account has evolved to its current application and configuration and how it may further evolve, taking into consideration the report of the Secretary-General on the matter (see A/59/736, paras. 20 and 21; A/60/807, paras. 8-14). The Committee also requested the Secretary-General undertake a comprehensive analysis of the evolution of the support account, in close consultation with the Office of Internal Oversight Services. The General Assembly, in its resolution 62/250 (para. 26), reiterated its request in paragraph 13 of its resolution 60/268 and paragraph 32 of its resolution 61/279 for a comprehensive report on the evolution of the support account. The Committee was informed that, in response to that request, the Secretariat had commissioned a study on the evolution of the support account by external consultants. The main conclusions of the study are summarized in the proposed budget for the support account for the period 2009/10 (A/63/767, paras. 55-63). The Advisory Committee's comments and observations on that study are reflected in its related report on the support account (A/63/841).

98. A statistical analysis of the configuration and evolution of the costs and posts in the support account since 1997 is provided in paragraphs 55 to 65 of the report of the Board of Auditors. The Board's analysis shows that the level of the support account for peacekeeping operations increased by 692 per cent, from $28.07 million to $222.45 million over the period from 1997 to 2008, in comparison with an increase of 439 per cent over the same period for total peacekeeping costs. The Advisory Committee notes that the cost of the support account for the financial year 2007/08 increased to 4 per cent from an average of 3 per cent from 1997 to 2008. The Board noted that there was no defined formula to show the relationship between the level and complexity of peacekeeping operations and the level of the support account.

99. In this connection, the Advisory Committee notes that the restructuring of the Headquarters support structure for peacekeeping operations was still in progress at the time the Board planned its audit. The Board therefore, as indicated in paragraph 6 of its report, has yet to conduct a review of the restructuring of the peacekeeping operations.

Results-based budgeting

100. The Board notes that several missions were not in full compliance with the requirements of the results-based budgeting guidelines to ensure that: (a) indicators of achievement and outputs were specific, measurable, attainable, relevant and time-bound; and (b) actual results recorded in the performance report were substantiated by the portfolio of evidence. This matter was also raised in the Board's previous report. **The Advisory Committee emphasizes that consistent and properly formulated indicators of achievement, as well as reliable supporting information in the portfolio of evidence, are essential for monitoring and reporting on actual performance as compared to what was planned and that such comparisons are critical elements of oversight and accountability. The**

Committee notes that the Secretariat has accepted the Board's recommendations in this regard.

101. **The Advisory Committee is of the view that the Organization needs to build on the progress made in the area of results-based budgeting and move towards a system for monitoring and evaluating programme results and impact. In the light of the Board's extensive review of the results-based-budgeting parameters of peacekeeping missions and the support account, the Committee believes that the Board is in a unique position to build on the work already done and invites it to widen the scope of its results-based-budgeting reviews with the aim of providing an additional evaluation-based perspective.**

Procurement and contract management

102. The Board of Auditors comments extensively on the subject of procurement and contract management in paragraphs 91 to 93 of its report. The Board notes numerous cases of non-compliance with the requirements of the Procurement Manual and the financial regulations, as well as deficiencies in technical evaluation, planning for procurement lead times, acquisition planning, awarding of contracts, monitoring of vendor performance and training of procurement staff.

103. The Advisory Committee notes some instances in which those deficiencies have had a negative impact on the effective operation of missions: at UNIFIL the inadequate preparation of bid submissions resulted in a six-month delay in the completion of a dining hall, which subsequently remained unused because of unsuccessful procurement of catering services; at Headquarters the procurement exercise for the provision of fuel for UNAMID and MINUSTAH lasted more than 600 days; the number of ex post facto cases submitted from missions to the Headquarters Committee on Contracts increased by 34 per cent, from 70 to 94; at UNIFIL a vendor who did not meet mandatory requirements in the technical evaluation was awarded the contract; at UNMIS the technical proposals and the financial proposals for a contract were opened at the same time, contrary to the requirements of the Procurement Manual; at UNMIS a contract was awarded to a vendor with the second highest evaluation score without any reason being given; in the Procurement Division a €424,659 performance bond for a contract had not been collected during the entire contract term of five years, even though the vendor had agreed to deduct the amount of the bond from the invoices submitted to the Organization; and at UNMIL and UNMIK there were no training plans for procurement personnel.

104. **In the view of the Advisory Committee such occurrences reflect inadequate internal control and inadequate compliance with procurement standards at Headquarters and in the missions. Given the sensitive nature of procurement and contract management activities, the Committee stresses the need to correct these serious weaknesses without delay, to ensure strict compliance with procurement rules and procedures at all levels of the Organization and to fully implement all procurement-related recommendations of the Board. It requests the Board of Auditors to keep this matter under close review and to report on its findings in the context of its report on peacekeeping operations for the period 2008/09. The Committee also recommends that the Secretary-General be requested to submit comprehensive proposals to address those weaknesses in the context of the forthcoming report on procurement**

reform, requested by the General Assembly in paragraph 7 of its resolution 61/246.

105. As indicated in paragraph 97 of the report of the Board of Auditors, a $250 million sole-source contract for multifunctional logistics services in support of the "heavy support package" in Darfur was awarded by the Procurement Division in October 2007 because of urgent deployment requirements, on the basis of financial rule 105.16 (a) (vii) (exigency). In its review of the case, the Board determined that the vendor had been selected as a sole-source contractor without the conduct of an adequate market survey and that, although the deployment of the heavy support package had been approved on 19 December 2006 (S/PRST/2006/55), it was not until 19 April 2007 that the Department of Field Support had initiated the requisition procedure and sought the Controller's approval for a sole-source contract with the vendor on the grounds of urgent deployment requirements and the vendor in question being the only contractor on the ground in Darfur with the capability to support the deployment in a timely manner. The Board also noted that the management fee under the sole-source approach was significantly higher than the management fee negotiated with the same supplier in the context of a competitive bidding exercise for the provision of camp construction services for MINURCAT. The Board recommended that the Secretariat negotiate a management fee with the vendor of the heavy support package for Darfur that would be in the best interest of the United Nations. The Advisory Committee notes the Secretariat's response, in paragraph 108 of the report, indicating that negotiations had been completed in September and October 2008 with a cost reduction of $16 million.

106. **The Advisory Committee notes the Board's observation that the award of the contract was not in keeping with the principles of transparency, that the sole-source approach presented a risk of high prices owing to a lack of competition and that the terms of the contract were not in the best financial interest of the Organization. Accordingly, the Committee urges the Secretary-General to implement, as a matter of priority, the Board's recommendations that a procurement strategy be developed as early as possible, especially for the start-up of new missions; that adequate market surveys be conducted before the sole-source approach is sought in order to ensure the transparency of the procurement process; and that the potential changes in contract value be taken into account when establishing fixed price management.**

Strategic deployment stocks

107. The Board notes inefficiencies and delays at various stages in the deployment and replenishment of strategic deployment stocks, including in the issuance of material release orders at Headquarters; the preparation of goods and the issuance of corresponding release vouchers at UNLB; the receipt and inspection of goods in the missions; the preparation and submission of requests for allotment issuances at Headquarters; and the trigger mechanism for the replenishment of strategic deployment stocks, which occurs after the receipt of shipping documents rather than at the time of issuance of the release voucher, leading to further delays in the procurement process. **The Advisory Committee agrees with the Board that the reasons for the delays in the deployment and replenishment of strategic deployment stocks should be clearly ascertained and that the current procedures for the replenishment of the stocks need to be reviewed.**

Vehicle fleet management

108. The Board highlights a series of issues in connection with the management of vehicles. The Carlog system is not fully functional at UNAMID, UNMIS, MINURCAT and UNMIT; rotation and replacement policies for vehicles have not been fully implemented at UNMIT, UNMIL, UNDOF, MINURSO and UNLB; discrepancies continue to be noted between the mileage data provided by the vehicle fleet management system and that from the Carlog system at UNDOF, MINURCAT, UNAMID and UNLB; and UNAMID and MINURCAT do not maintain adequate stock levels of fuel for contingency purposes. **The Advisory Committee recommends that the Carlog system and vehicle replacement policies be fully implemented in all missions in order to ensure efficient use of the vehicle fleet.**

Rations management

109. The Board continued to monitor the management of rations, at the request of the Advisory Committee (see A/62/823, para. 19). It has highlighted a number of issues relating to the non-collection of performance bonds for rations contracts at Headquarters (paras. 167-174 of its report), non-compliance with temperature requirements for the storage of rations, issuance of rations requisitions not based on actual feeding troop strength and discrepancies in the recording of rations in the Galileo system (paras. 316-332 of its report). The Committee notes that the Secretariat has agreed to implement all the Board's recommendations. **The Committee reiterates the importance it attaches to this issue, as it affects the health and morale of contingent personnel and has significant financial implications, and requests the Secretary-General to ensure strict compliance with the requirements of the Procurement Manual and procedures for the management of rations.**

Human resources management

110. The Board notes an increase in the overall average vacancy rate in peacekeeping missions, from 23 per cent in 2007 to 27 per cent in 2008, an unchanged vacancy rate of 36 per cent as at 30 June 2008 at the middle and senior levels (P-4 to D-2) in field missions and a recruitment process well exceeding the target of 120 days in some missions. The Board also notes delays in the preparation and adoption of human resources action plans for the current period. **The Advisory Committee shares the Board's concerns that the high vacancy rates at the various missions could adversely affect the execution of their mandates. The Committee is of the view that there is a need to analyse the root causes of the high vacancy rates and the duration of the recruitment process, notwithstanding the considerable resources and effort devoted to improving this situation, including the deployment of "tiger teams" and the delegation of authority to field missions, as well as to develop appropriate solutions. The Committee addresses these issues more fully in paragraphs 30 to 40 above.**

Quick-impact projects

111. Among the nine missions that established quick-impact projects in 2007/08, the Board notes underutilization of financial resources within the appropriate time frame at MONUC and UNMIS, as well as failure to implement some quick-impact projects by the expected date at MINUSTAH, UNMIS, UNIFIL and UNMIL. In

addition, the Board reiterated its previous recommendation that the Secretariat take appropriate measures to expedite the completion of the guidelines relating to quick-impact projects and to ensure that they are implemented at all missions (ibid., paras. 444-452). **The Advisory Committee looks forward to an update by the Board in the context of its review of peacekeeping operations.**

Resident auditors

112. The Board indicates that of the 201 audits planned for 2007, only 65, or 32 per cent, had been completed as at 31 December 2007, noting that the high vacancy rate of 36 per cent for Office of Internal Oversight Services resident auditors had delayed the completion of the audit plan (ibid., paras. 453-468). **The Advisory Committee agrees with the Board's recommendation that the Office of Internal Oversight Services carefully monitor the workplans of the resident auditors to ensure that the audits are executed and finalized in a timely manner and expedite the filling of all resident auditor posts to ensure effective internal audit coverage of all missions. The Committee stresses the need to address this issue as a matter of priority. As indicated in paragraph 91 above, the Committee believes that the high level of vacancies among resident auditors further weakens the application of internal control procedures in field missions. It recommends that the Board of Auditors and the Office of Internal Oversight Services be requested to intensify collaboration and to make proposals for ensuring adequate oversight in peacekeeping missions.**

Fraud and presumptive fraud

113. A total of 12 cases of fraud and presumptive fraud were reported to the Board for the financial period ended 30 June 2008. The Advisory Committee notes that of those, five were at UNIFIL, four were at MINUSTAH and one each was at UNMEE, MONUC and the UNIFIL Supply Unit (see paras. 485 and 486 of the Board's report). The Board notes that the 12 reported cases do not reflect the entire universe of fraud and presumptive fraud cases system-wide, as some cases might be under review by other offices or units and have not yet been reported to it.

IV. Other reports on cross-cutting issues

A. National Professional Officers

114. The General Assembly, in section VII of its resolution 61/276, requested the Secretary-General to review the standards for the recruitment of National Professional Officers and to report thereon to the General Assembly at its sixty-second session. The report of the Secretary-General (A/62/762) was submitted pursuant to that request.

115. In 1980, the International Civil Service Commission (ICSC) decided to permit the use of National Professional Officers for functions in non-headquarters offices which, by their very nature, required national knowledge and experience and so could not be carried out effectively by international Professional staff. ICSC established criteria for the use of National Professional Officers in its report for the year 1994 (A/49/30, annex VI), which were adopted by the General Assembly in its resolution 49/223. The Advisory Committee recalls that, in the same resolution, the

Assembly took note of the intention of ICSC to review the use of National Professional Officers on a regular periodic basis and requested the Commission to report thereon to the Assembly.

116. According to the Secretary-General, the number of National Professional Officer posts in United Nations peace operations has increased by 234 per cent in recent years, rising from 306 in January 2004 to 1,023 as at 31 December 2007. The Secretary-General also indicates that while missions recognize the value of the role of National Professional Officers in implementing mission mandates, recruiting them in post-conflict environments within the ICSC framework poses significant challenges, which contribute to high vacancy rates in those positions. Upon request, the Advisory Committee was provided with data on vacancy rates in the category of National Professional Officers in United Nations peacekeeping operations and special political missions as at 31 December 2008. The data show that the overall vacancy rate was 37.8 per cent, reflecting a wide variance among various operations and missions (from a rate of zero for UNSCOL, UNOGBIS and UNOWA to 100 per cent for UNOMIG, 92.3 per cent for UNIPSIL and 86.4 per cent for UNAMID).

117. The Secretary-General indicates in his report that, despite intensive recruitment efforts, United Nations peace operations have encountered difficulty in attracting, recruiting and retaining National Professional Officers in post-conflict environments, which can generally be attributed to: (a) a lack of required academic qualifications; (b) a lack of required professional work experience; (c) the inability to verify credentials; (d) competition in the local marketplace for professional skills; (e) limitations on the use of National Professional Officers; and (f) a lack of qualified candidates for positions in remote locations.

118. The Secretary-General indicates in his report that addressing challenges in attracting, recruiting and retaining National Professional Officers for service with United Nations peace operations in post-conflict environments requires a degree of flexibility in applying the recruitment standards, which would enable individual missions to respond to their unique requirements while respecting the integrity of the National Professional Officer programme and the established ICSC criteria. Accordingly, in paragraph 20 of his report, the Secretary-General proposes a number of flexibility measures in an effort to address the current challenges faced by United Nations peace operations.

119. **The Advisory Committee recommends that the General Assembly endorse the proposals of the Secretary-General, as set out paragraphs 20 (a) and (c) of his report, that:**

- **In situations where educational institutions have not been functioning for prolonged periods and difficulty has been encountered in recruiting National Professional Officers owing to a lack of candidates with a first-level university degree, missions be given the flexibility to develop a consistent practice to address the problem on a temporary basis, taking into account the unique challenges at the duty station**
- **Where it is difficult to identify National Professional Officer candidates with the required prior professional experience, missions be given the flexibility to recruit National Professional Officers who possess a university degree at the entry level of NO-A without the requirement for any previous professional experience, on a probationary basis**

120. **While the Advisory Committee also recommends that the General Assembly endorse the Secretary-General's proposal set out in paragraph 20 (b) of his report, it is of the view that missions should be given the flexibility to recruit candidates, on a probationary basis only, pending verification of academic qualifications and/or demonstrated ability to satisfactorily perform the functions required of the position, based on the information provided in the personal history profile while continuing to make their best effort to verify academic qualifications and/or prior professional experience.**

121. **Should the General Assembly approve the recommendations of the Advisory Committee, it may wish to request the Secretary-General to review, in two years, the impact and efficacy of the measures authorized and report thereon to the Assembly.**

122. With regard to the Secretary-General's proposal in paragraph 20 (d) of his report that National Professional Officers be employed in United Nations peace operations in non-field locations, such as UNLB and UNFICYP, the Advisory Committee points out that the criteria for their use, approved by the General Assembly in its resolution 49/223, require that the work performed by National Professional Officers have a national content, be related to the overall efforts of the United Nations system to increase national development and bring to bear in the job national experience and knowledge of the local culture, language traditions and institutions. The locations where National Professional Officers can be employed are currently limited to those where there is a need to strengthen national development. **The Committee finds no convincing arguments for revising the criteria for the use of National Professional Officers in this respect. Therefore, it does not recommend that the General Assembly endorse the Secretary-General's proposal contained in paragraph 20 (d) of his report.**

123. A number of United Nations operations have a regional dimension. **The Committee is of the opinion that, while efforts to maintain the integrity of the original concept of National Professional Officers should continue, in such cases consideration should also be given to allowing nationals from the concerned region to be offered National Professional Officer positions.**

124. The Advisory Committee also points out the importance of training programmes for National Professional Officers. In this connection, the Committee notes the initiative of the Secretariat to explore with the United Nations Volunteers programme the possibility of extending the Transfer of Knowledge through Expatriate Nationals programme to United Nations peace operations. Under the programme, expatriates return to their home country as United Nations Volunteers to contribute their skills and services to their homeland's development in a variety of ways, including training. United Nations Volunteers serving under the programme train teachers, develop educational materials and curricula, strengthen skills required for employment and ensure access to educational resources and services.

125. The Advisory Committee notes that while the Secretary-General indicates that it might be feasible to explore the possibility of providing some form of compensation to National Professional Officers for relocation to the country of nationality and/or for taking up positions outside the capital in more remote regional areas (see A/62/762, para. 17), he makes no proposal in this regard.

126. **The Advisory Committee recalls that the General Assembly, in its resolution 49/223, took note of the intention of ICSC to review the use of National Professional Officers on a regular periodic basis and requested the Commission to report thereon to the Assembly. The Committee trusts that ICSC will examine how well the criteria for the use of National Professional Officers work in the United Nations system organizations and report thereon to the Assembly accordingly.**

B. Welfare and recreation needs of all categories of personnel and detailed implications

127. The report of the Secretary-General (A/63/675 and Corr.1), which was submitted pursuant to General Assembly resolution 62/273 and based on a request of the Special Committee on Peacekeeping Operations, provides a review of practices of mission welfare and recreation programmes and describes the current status of the measures that are under consideration or under way.

128. The Secretary-General recommends that the General Assembly approve his proposal for minimum standards of welfare and recreation facilities for international non-contingent personnel in all peacekeeping operations and special political missions that are staffed by more than five international non-contingent personnel or are not co-located with another mission, peacekeeping operation or established office, with the related specific resource requirements to be considered in the context of the future proposed budgets of the individual missions. Minimum standards would ensure that peacekeeping operations and special political missions are provided with resources to offer a basic number of facilities to their international non-contingent personnel, enabling them to enjoy a wide range of welfare and recreation activities. The facilities and activities would include outdoor and indoor sports, social and cultural activities, a gymnasium and a lounge/library.

129. The Advisory Committee notes that the Special Committee on Peacekeeping Operations, in its annual report for 2008 (A/62/19), which was endorsed by the General Assembly in its resolution 62/273, recognized the importance of welfare and recreation for personnel serving in peacekeeping operations, including non-contingent personnel, and acknowledged that welfare and recreation contribute to strengthening morale and discipline.

130. The Secretary-General indicates that for uniformed contingent personnel, a number of new measures have been discussed at the 2008 session of the Working Group on Contingent-Owned Equipment. Currently, troop- and police-contributing countries receive reimbursements of $6.31 per contingent member per month (effective 1 July 2008) for providing welfare and recreational facilities for their troops. However, as noted in the Secretary-General's report (A/63/675 and Corr.1, para. 56), OIOS found that most contingents were deployed without any, or with very few, welfare and recreational facilities. The Advisory Committee notes, in this regard, that a checklist will be incorporated in all future negotiations on memorandums of understanding in order to assist troop- and police-contributing countries in the deployment of equipment and amenities across the spectrum of welfare, which was endorsed by the General Assembly in its resolution 62/252.

131. The Secretary-General indicates that welfare and recreation programmes for international non-contingent personnel in peacekeeping operations and special

political missions have been funded on a piecemeal and ad hoc basis. As a result, current welfare and recreation programmes are inconsistent among missions. While some missions lack welfare programmes, others offer their personnel the opportunity to avail themselves of a wide range of activities and facilities. The report provides examples of what is available at different missions (A/63/675 and Corr.1, paras. 20-29).

132. According to the Secretary-General, a basic standard of welfare and recreation in all missions aims, inter alia, at: (a) facilitating adjustment to life in the mission; (b) bringing about a significant improvement in the productivity of personnel through a better work-life balance; (c) improving the morale and team spirit of mission personnel; (d) improving productivity and the overall operational capability of the mission; (e) promoting good conduct and discipline by alleviating conditions that may contribute to misconduct, including sexual exploitation and abuse, as well as other breaches of discipline; (f) helping to manage stress and alleviate boredom, loneliness and feelings of isolation and vulnerability; (g) helping to alleviate the conditions that contribute to certain physical and psychological illnesses; and (h) contributing to making mission assignment more manageable and preventing high staff turnover.

133. The Secretary-General proposes the provision of minimum welfare and recreation facilities, or "welfare kits", that would consist of a gymnasium (including fitness equipment and facility) and lounge/library (including equipment, miscellaneous items and facility). The Advisory Committee notes that cost estimates provided in the report of the Secretary-General do not constitute resource proposals with respect to individual peacekeeping operations and special political missions. Welfare and recreation resource proposals for missions would be fully justified in the context of their individual budgets submitted for review and approval by the General Assembly.

134. The cost estimates are based on the strength of international non-contingent personnel, including international civilian staff members, United Nations Volunteers and experts on mission. As shown in annex I, A and B, of the report, the cost estimates are organized in five tiers depending on the number of international non-contingent personnel deployed in each field office of a mission. A "mini" package is provided for 5 to 24 personnel. Additional items establish a "mini plus" package for 25 to 49 personnel. More items are added to provide a "basic" package and a slightly larger "basic plus" package for those locations in which 50 to 99 and 100 to 199 personnel are deployed. The largest tier would be a "full" package for 200 or more international non-contingent personnel. According to the Secretary-General, notwithstanding the significant number of international non-contingent personnel deployed in some areas, it is envisioned that no mission location would qualify for more than one full welfare and recreation package, except under circumstances that would be reviewed on an individual basis as part of the budgetary process and submitted to the General Assembly for its approval.

135. The Advisory Committee observes that missions would defray costs related to acquisition of welfare and recreation equipment and supplies by purchasing locally, when possible, and obtaining equipment from liquidating missions; moreover, missions may also choose to rent facilities in cases where it is more cost-effective than erecting new ones.

136. The Advisory Committee further observes that personnel resources dedicated to implementing welfare and recreation activities vary from mission to mission. In the 2008/09 budget year, dedicated welfare officer posts were provided for UNAMA, MINURCAT, MONUC and UNAMID. In some of the missions without dedicated welfare posts, the responsibility for welfare has been delegated to staff counsellors or the administrative staff by the head of mission support. Some missions have neither welfare officers nor staff counsellors. Many missions have formed staff welfare committees to develop programmes and organize activities. **The Committee sees merit in the establishment of welfare committees at all missions to address the welfare and recreation needs of the mission personnel.**

137. **The Advisory Committee recommends that the General Assembly approve the proposed establishment of minimum welfare and recreation standards as described in paragraphs 62 to 82 of the Secretary-General's report. The Committee trusts that the Secretary-General will develop clear guidelines on implementation of welfare and recreation programmes in United Nations peacekeeping operations and special missions and will report thereon to the General Assembly. Furthermore, the Committee believes that the issue of welfare and recreation needs of mission personnel should not fall within the responsibilities of the Conduct and Discipline Unit at Headquarters, but rather should be dealt with in the broader context of human resources management of the Field Personnel Division.**

C. Progress of training in peacekeeping

138. The report of the Secretary-General (A/63/680) was submitted pursuant to paragraph 4, section I, of General Assembly resolution 60/266, in which the Assembly requested a report on the progress of training in peacekeeping at its resumed sixty-first session. As the Secretary-General indicates in paragraphs 1 and 2 of his report, that report could not be submitted within the timeframe requested by the General Assembly as a result of the refocusing of the efforts of the Integrated Training Service in the context of the restructuring of the Department of Peacekeeping Operations and the creation of the Department of Field Support (see also A/62/676 and A/62/781).

139. The Advisory Committee recalls that the General Assembly has emphasized the importance of making training programmes more relevant and cost effective on numerous occasions (see for example, Assembly resolutions 60/267 and 61/276). The Committee has also commented extensively on the subject, including on the need for improved planning of training programmes; ensuring that training objectives are linked to mandate implementation and organizational goals; developing criteria for the holding of training courses at Headquarters, at UNLB or at the missions; providing clear information on the allocation of training resources among civilian, military and police personnel; developing guidelines regarding the use of in-house expertise versus consultants; keeping track of training requirements and the resulting impact of training on performance and achievement of results by individual staff members; the identification of resources and reporting on total expenditures on training; and developing a framework and methodology for monitoring and evaluation of impact of training programmes, thus justifying their cost and the staff time devoted to administering and travelling to attend training programmes (see also A/62/781, para. 83).

140. **The Advisory Committee believes that the Secretary-General's report falls short of expectations. It does not provide a comprehensive picture of training priorities, costs, effectiveness or services to Member States.**

141. **A comprehensive and transparent statement of the overall resources required for training in peacekeeping is very much needed. In addition, the Advisory Committee believes that more useful information on the costs of training should be provided. In the Committee's view, the current approach, which presents costs under individual objects of expenditure, is inadequate. Cost of training products and activities should be presented so as to enable programme managers as well as the General Assembly to assess the benefits of training activities in relation to their costs.**

142. **The Advisory Committee emphasizes that a complete picture of the targeted categories and number of personnel as well as their training needs and priorities should be provided. Furthermore, the training needs of staff serving both at Headquarters and in the field should be based on sound workforce planning techniques and the organizational needs and objectives of the peacekeeping missions. Priority should be given to recruiting trained personnel with the skills required to accomplish the functions of the position for which they are hired. Furthermore, training for higher levels of skills or for a different function should not be at the expense of the mission's requirements or the productivity of the staff member.**

143. **The Advisory Committee further reiterates the importance of developing a framework and methodology for the evaluation of training programmes and their impact on enhancing the ability of staff members to discharge their duties, as well as the efficiency and effectiveness with which such programmes are conducted. The Committee requests that information be provided in the context of the comprehensive report (see para. 148 below) on the harmonization of peacekeeping activities within the overall training framework of the Organization, as well as cooperation and coordination with the Office of Human Resources Management in this regard.**

144. The Advisory Committee notes that the Integrated Training Service is piloting an electronic training management system (e-TMS) to track training received by individual peacekeeping personnel (A/63/680, para. 10). The Committee further notes that a talent management and a learning management system are to be implemented in the near future under the responsibility of the Office of Human Resources Management (A/63/282, paras. 168-171 and A/63/526 and Corr.1, paras. 28 and 29). **The Committee requests that the Secretary-General provide assurances that the functions of the e-TMS do not overlap with those of other human resources management systems and that duplicative databases are not put into place.**

145. The Secretary-General indicates that offices and sections within the Department of Peacekeeping Operations and the Department of Field Support are responsible for the development and delivery of substantive and technical training in their areas of expertise (A/63/680, para. 11). **While the Advisory Committee recognizes the important role of such units in defining their requirements, it is important that there be an organizational perspective on the overall priorities and training needs in peacekeeping, which is presently lacking. For example, the Committee notes that the Office of Legal Affairs has requested additional**

resources in the context of its budget proposals for the support account for its participation in institutionalized training programmes for field legal officers, to be developed in consultation with the Department of Peacekeeping Operations (A/63/767, para. 793). It is not clear to the Committee how such resources are reflected in the overall resources requirements for training in peacekeeping (see also para. 141 above).

146. **The Advisory Committee believes that further efforts should be made to put an optimal structure for training activities in place within the Secretariat. The Committee recommends that the Secretary-General be requested to clarify which aspects of the training activities are best supported by a central structure for the Secretariat as a whole, and which should be serviced by a distinct unit serving the unique requirements of peacekeeping.**

147. The Advisory Committee notes the training approach taken by UNMIL for its training requirements during the financial period 2009/10 (A/63/734 paras. 136 and 137). The Mission plans external and internal training of some 2,042 participants, comprising 700 international, 1,222 national and 102 military and police personnel. The vast majority of the participants, some 98 per cent, would be trained within the Mission area, including through the use of online courses, with the remaining 2 per cent attending external training courses, including at UNLB. **The Committee welcomes efforts to utilize cost-effective means of training delivery, such as e-learning technologies, to cover a large number of participants. It trusts that the Integrated Training Service will follow up closely on the experiences acquired and lessons learned at UNMIL and will mainstream such an approach into the training plans of all missions, where feasible.**

148. **Taking into account its observations as outlined above, the Advisory Committee recommends that the Secretary-General be requested to prepare a comprehensive report on training in peacekeeping that would address, among other issues, the following:**

(a) **A clear presentation to the General Assembly of the new strategy for training in peacekeeping and a plan for its implementation;**

(b) **Details on the findings of the training needs assessment study, including the gaps and overlaps identified;**

(c) **A review of the existing training programmes, including detailed information on the division of roles and responsibilities among the entities involved in the planning and delivery of training within the United Nations, and between them and non-United Nations partners;**

(d) **The precise identification of training programmes and the related responsible offices/entities for each target recipient category of personnel, and the number of peacekeepers trained;**

(e) **A methodology for costing training activities;**

(f) **Modalities of delivery of training programmes;**

(g) **Methodology for monitoring and evaluation of the training programmes to improve training content and ensure that objectives of the programmes, organizational goals and expected outcomes are fulfilled;**

(h) **Details on support provided to and by Member States and other entities;**

(i) **Clear criteria on utilization of in-house capacity and consultancy services;**

(j) **Clear delineation of the responsibilities to be managed centrally for the Organization (Office of Human Resources Management) and those to be managed by the Integrated Training Service and other peacekeeping actors;**

(k) **Resource allocation among civilian, military and police personnel.**

149. **The Advisory Committee recommends that the Secretary-General be requested to submit the comprehensive report described above to the General Assembly at the second part of its resumed sixty-fourth session.**

D. Death and disability compensation

150. The reports of the Secretary-General on death and disability compensation (A/62/805 and Corr.1 and A/63/550) were submitted pursuant to section X of General Assembly resolution 61/276, in which the Assembly requested the Secretary-General, inter alia, to:

(a) Review the payment of awards in cases of disability after 30 June 1997 with a view to ensuring that the amount of compensation paid by the United Nations has not been less than the award levels set out in the schedule of awards in annex V of document A/52/369;

(b) Take urgent measures to eliminate the existing backlog of death and disability claims pending for more than three months;

(c) Conduct a comprehensive review of the administrative and payment arrangements and procedures for the payment of compensation in cases of death and disability with a view to simplifying, streamlining and harmonizing the current process, including the following issues:

(i) Options to ensure the equal treatment of members of peacekeeping contingents and formed police units, civilian police officers and military observers;

(ii) The possible establishment of a deadline for the completion and submission of board of inquiry reports and measures to ensure its observance;

(iii) Clear delineation of responsibilities of the United Nations and the Member States in the submission of documentation in support of death and disability claims;

(iv) Full lists of documents to be submitted in support of death and disability claims by the Member States and, where applicable, beneficiaries;

(v) Possible limits in the number of requests for documents besides those specified in the lists referred to in subparagraph (iv) above;

(vi) The principle that in cases of doubt, death and disability claims are given sympathetic consideration;

(vii) Possible procedures for a simplified settlement of death and disability claims whenever the Secretary-General is unable to complete the administrative procedures for processing such claims within the established time limit.

Review of the payment of awards in cases of disability after 30 June 1997

151. According to the report of the Secretary-General (A/62/805 and Corr.1), 218 claims for disability compensation have been reviewed, of which 161 claims were for military contingents/formed police units and 57 for civilian police officers/military observers. Of the 161 disability claims for military contingents and formed police units, the review of the payment of awards has shown that the schedule of awards was applicable to only 11 cases, of which 7 were assessed at the same level of impairment, 1 was awarded more and 3 were awarded less than noted in the schedule of awards for that level of impairment (ibid., para. 6). Explanations for the cases that received higher or lower compensation than noted in the schedule of awards are provided in paragraphs 7 to 9 of the Secretary-General's report. The schedule of awards could be applied to only 13 of the 218 disability cases (5.9 per cent), as the schedule, last reviewed in 1966, does not cover the majority of the injuries and illnesses (ibid., para. 11).

152. The current administrative and payment arrangements and procedures, as contained in the report of the Secretary-General (A/52/369, sect. II) were authorized by the General Assembly in paragraph 3 of its resolution 52/177. These procedures provided that, in the application of the schedule of awards, the American Medical Association's *Guide to Evaluation of Permanent Impairment* (AMA Guide), fourth edition, will be the authoritative reference document (A/52/369, sect. II, para. 10). The Secretary-General reports that, in all of the 218 cases reviewed, the AMA Guide has provided precise calculations of permanent disability. The Secretary-General notes that the Secretariat has used the AMA Guide since its first edition and has seen improvement in every subsequent edition. Furthermore, the Secretariat is of the opinion that the most current edition of the AMA Guide should be used as the authoritative reference for all disability cases related to military contingents, formed police units, civilian police officers and military observers (A/62/805 and Corr.1, paras. 11 and 12).

153. **The Advisory Committee notes from the Secretary-General's report that the schedule of awards is not applicable to the majority of the disability cases reviewed. The Committee concurs with the recommendation that the most current edition of the AMA Guide should be used as the authoritative reference for all disability cases related to uniformed personnel. The Committee recommends that the Secretary-General clarify how the application of the AMA Guide would ensure equitable and transparent consideration of all cases, as well as the best interests of the Organization and that of the injured personnel (ibid., para. 12).**

Measures to eliminate the existing backlog of claims

154. Information with respect to status of processing of claims for death and disability compensation, as at 29 February 2008 and 30 September 2008, with a breakdown by mission and by country, is contained in the annexes to documents A/62/805 and Corr.1 and A/63/550, respectively. As at the latter date, a total of 143

claims for death and disability were under review, of which additional information was required from 93 Member States and 50 missions (A/63/550, para. 5).

155. The Secretary-General indicates that not all cases can be settled within the three-month period as directed by the General Assembly (A/62/805 and Corr.1, para. 14). According to the Secretary-General, for disability claims, the determination of the degree of permanent disability can be a lengthy process owing to the time required for treatment and recovery after the occurrence of an incident. In order to determine permanent loss of function, additional medical information is required from the Member States, along with a report from treating physicians confirming completion of all treatment and achievement of maximum improvement. Upon enquiry, the Advisory Committee was informed that, within the last five years, eight cases of disability had required three years or more before being resolved, although no case had taken five years.

156. The Advisory Committee notes that the General Assembly has requested "the Secretary-General to settle the death and disability claims as soon as possible but not later than three months from the date of submission of a claim" (resolution 52/177, para. 6). The Committee further notes that, in his response to the request by the General Assembly that "the principle that, in case of doubt, death and disability claims are given sympathetic consideration" (General Assembly resolution 61/276, sect. X, para. 9 (f)), the Secretary-General indicates that the Secretariat considers all cases of death and disability with sympathy, and settles all claims within 90 days of the date of receipt of final medical reports or other appropriate records (A/63/550, paras. 19 and 20). **The Committee is of the opinion that settlement of claims within three months from the date of submission of a claim, as requested by the Assembly, should be adhered to in cases of compensation for death. While recognizing that some complicated disability cases may take longer than three months for treatment and recovery, the Committee is of the opinion that three years or more is too long a period. The Committee recommends that a reasonable time frame be explored and introduced for disability cases, by the end of which all claims should be settled.**

Comprehensive review of the compensation of death and disability benefits

Options for equal treatment

157. The current methodology followed for settlement of death and disability claims is explained in the report of the Secretary-General (A/63/550, paras. 2 and 3 and 6-8). Depending on the nature of deployment of the uniformed personnel, differences exist, both in procedures and in compensation, for military contingents/formed police units vis-à-vis civilian police officers/military observers and other seconded personnel (correction officers). These differences and similarities are briefly summarized in table 2.

Table 2
Differences in procedures and in compensation for military contingents/formed police units and police officers/military observers and other seconded personnel

	Military contingents and formed police units	*Civilian police officers and military observers*
Procedures for the settlement of claims	– Claims to the Field Budget and Finance Division of the Department of Field Support	– Claims to the Field Personnel Division of the Department of Field Support
	– Notifications of casualty or injury from mission headquarters to permanent missions, through the Department of Peacekeeping Operations	– Claims reviewed by the Advisory Board on Compensation Claims of the Department of Management (as United Nations staff members)
	– Department of Field Support requests "notifications of casualty confirmation" from mission's force commander or police commissioner and settles the claims when criteria are met	– Official incident or investigation report, death certificate or medical report, etc.
	– Medical Services Division of the Department of Management reviews in case of death due to illness or disability	– Medical Services Division of the Department of Management reviews in case of death due to illness or disability
Death compensation	$50,000 (General Assembly resolution 51/218 E, sect. II; prior to 1997, compensation was based on national standards)	$50,000 or twice the base annual salary, less allowances, whichever is higher (increased from $20,000 in 1991)
Disability compensation	Percentage of $50,000	Percentage of $50,000
Payment of compensation	Remitted through the Permanent Mission of the Member State for the legal heirs of the deceased or the injured person	Remitted to the duly recognized beneficiaries of the deceased or to the injured person

158. Following a review by a working group of the Secretariat consisting of representatives of the Department of Management (the Medical Service Division and the Advisory Board on Compensation Claims) and the Department of Field Support (Field Personnel Division and Field Budget and Finance Division), the Secretary-General has recommended (A/63/550, paras. 9 to 12) that:

(a) In case of death compensation, an award of $50,000 be made to all categories of uniformed personnel (military contingents, formed police units, military observers, civilian police officer and other seconded personnel);

(b) The methodology, in death and disability cases, followed for military contingents and formed police personnel be applied to military observers, civilian police officers and other seconded uniformed personnel.

159. The Advisory Committee points out that the level of compensation for death has remained at $50,000 since 1991 for civilian police officers and military observers and since 1997 for military contingents and formed police units (see table 2 and A/63/550, para. 10). Upon enquiry, the Committee was informed that the inflationary effect on $50,000 in the years 1991 and in 1997 in the United States of America would translate into $79,039 and $67,073 in 2008, respectively (see annex IX). The Committee also notes that setting the award at $50,000 for all categories of uniformed personnel could effectively lower the award for some civilian police officers and military observers, who are currently entitled to $50,000 or twice the annual base salary, less allowances, "whichever is higher".

160. **The Advisory Committee recalls the intention of the General Assembly to ensure the equal treatment of all categories of uniformed personnel (see General Assembly resolution 61/276, sect. X, para. 9 (a)). The Committee does not see the basis for the Secretary-General to recommend a uniform award of $50,000, representing the lowest level of the current award, which has not been updated since the 1990s. In the view of the Committee, the Secretary-General's recommendation does not provide a rational explanation. The Committee believes that, in the process of providing for equal treatment, the award for civilian police officers and military observers should not be lowered from the current compensation level. Furthermore, the Committee believes that the inflationary effect on the award of $50,000 should be taken in account should the Assembly decide to update the award. With these considerations in mind, the Committee recommends against the Secretary-General's proposal for an award of $50,000 for all categories of personnel in case of death compensation.**

161. With respect to the proposed harmonization of the methodology for settlement of death and disability claims for all uniformed personnel, the Advisory Committee notes that, if approved by the General Assembly, the Field Budget and Finance Division of the Department of Field Support would be responsible for settlement of all claims and that the Advisory Board on Compensation Claims of the Department of Management would no longer be involved in the review of the claims for civilian police officers and military observers. The Secretary-General indicates that this would lead to the timely completion of the administrative process (A/63/550, paras. 12 and 20). **The Committee has no objection to the Secretary-General's proposal that the methodology followed for contingent and formed police personnel be applied to military observers, civilian police officers and other seconded uniformed personnel.**

Possible deadline for the completion and submission of board of inquiry reports

162. With regard to a possible establishment of a deadline for the completion and submission of board of inquiry reports, the report indicates that the Secretariat issued a policy directive and standard operating procedures effective 1 June 2008, directing the missions to complete the proceedings as soon as possible, preferably

within four weeks. In addition, the Secretariat processes death and disability claims for military contingents/formed police units without waiting for a board of inquiry report in cases when the force commander/police commissioner confirms that there has been no evidence in the investigation to indicate any gross negligence of wilful misconduct on the part of the contingent/formed police unit member (A/63/550, para. 13).

Clear delineation of responsibilities of the United Nations and the Member States for the submission of documentation

163. With respect to clear delineation of responsibilities of the United Nations and the Member States for the submission of documentation in support of death and disability claims, the report of the Secretary-General enumerated the established procedure as set out in document A/52/369, indicating that the Secretariat provides and will continue to provide briefings to Member States on the procedure to be followed and the documentation to be submitted (ibid., para. 14).

Full list of documents

164. Documents that should be submitted for death and disability claims are listed in paragraph 16 of the report of the Secretary-General. However, while the General Assembly has requested a full list of documents to be submitted, the Secretary-General indicates that this list is not exhaustive and depends on the nature of injury/illness sustained (ibid., para. 17). **In the view of the Advisory Committee, the list of documents to be submitted remains unchanged, and thus does not respond to paragraph 9 (d) of General Assembly resolution 61/276. It is the opinion of the Committee that the Secretariat should establish an exhaustive list of documents for each category of injury or illness.**

Possible limits in the number of requests for documents

165. Regarding possible limits in the number of requests for documents besides those specified in paragraph 16 of the report of the Secretary-General, the Secretary-General indicates that the Financial Regulations and Rules of the United Nations require that all payments should be supported by pertinent documentation and that requisite medical documentation depends on the nature of illness or injury sustained and is the basis for determining the extent of permanent loss of function after necessary medical treatment has been completed and maximum recovery has been achieved. Therefore, the Secretariat does not recommend putting any limit on the number of requests for additional medical information (ibid., para. 18). **In the Advisory Committee's opinion, such a recommendation would not be in line with the requests by the General Assembly contained in paragraphs 9 (e) and (g) of its resolution 61/276. This recommendation does not represent an improvement to the present procedures. Furthermore, the responsibility to submit required documents should not be placed solely with the concerned Member States or the beneficiaries; the United Nations should also share responsibility in this regard.**

Possible procedures for a simplified settlement

166. As for possible procedures for a simplified settlement of death and disability claims whenever the Secretary-General is unable to complete the administrative

procedures for processing such claims within the established time frame, according to the Secretary-General, the proposed harmonization of the methodology for settlement of claims for all uniformed personnel would lead to the timely completion of the administrative process. The Secretary-General further states that the Secretariat can only finalize the administrative process after all the supporting documentation has been received and that the Secretariat settles all the claims within 90 days of the date of receipt of final medical reports or other appropriate records (ibid., para. 20). The Advisory Committee's comments and recommendations with respect to procedures for a simplified settlement is contained in paragraph 156 above.

Rejected claims

167. Upon request, the Advisory Committee was provided information with respect to rejected death and disability claims since 2004:

(a) For military contingents and formed police units, a total of 100 claims were rejected, of which 47 were death claims and 53 were disability claims. Of the 47 rejected death claims, 25 cases were due to pre-existing conditions, 19 were not mission-related and for the remaining 3 cases, medical or other additional documentation was not provided by the concerned permanent missions. Of the 53 rejected disability claims, while 16 recovered after medical treatment without permanent loss of function, medical or other additional documentation was not provided by the permanent missions for 35 cases and for 2 cases resulting from pre-existing conditions;

(b) For civilian police officers and military observers, there were a total of 71 death and disability claims over the period. Of the 30 disability claims, 9 cases were denied; of the 41 death claims, 13 were denied.

168. Upon enquiry, the Advisory Committee was informed that, once a claim was rejected, it was final and that there was no existing procedure for appeal. **Given the number of cases rejected over the past five years, as shown in paragraph 167 above, the Advisory Committee is of the view that the issue of establishing an appeal procedure should be explored.**

Actions to be taken by the General Assembly

169. Actions to be taken by the General Assembly are indicated in paragraph 21 of the Secretary-General's report (A/63/550). **In the view of the Advisory Committee, the reports of the Secretary-General do not comprehensively address the issues raised by the General Assembly in its resolution 61/276. Furthermore, members of the working group for the comprehensive review were limited to two departments of the Secretariat; troop- and police-contributing countries were not consulted in the process. For the reasons stated in the paragraphs above, the Committee recommends against approval of the recommendations of the Secretary-General, except for the proposed harmonization of the methodology for settlement of claims for all uniformed personnel. The Committee recommends that the Secretary-General revisit the issue in a comprehensive manner and submit a new report to the General Assembly at its sixty-fourth session, bearing in mind the observations and recommendations in the paragraphs above.**

E. Review of the methodology for rates of reimbursement to troop-contributing countries

170. The Secretary-General's report (A/63/697) is submitted in response to a request of the General Assembly in its resolution 62/252 for an update of the Secretary-General's earlier report on the review of the methodology for rates of reimbursement to troop-contributing countries and for the daily allowance for troops (A/60/725 and Add.1). The Secretary-General also reviews arrangements for recreational leave allowance and the related proposals of the 2008 Working Group on Contingent-Owned Equipment (A/C.5/62/26).

171. The Advisory Committee recalls that the General Assembly, in its resolution 55/274, requested a report on the methodology for reimbursement of troop costs, covering troops and formed police units, taking into account the views expressed by Member States. In addition, the Assembly requested that a questionnaire be submitted to troop-contributing countries on the basis of elements and guidelines contained in that same resolution. The methodology proposed by the Secretary-General in response to that request (see A/57/774) was considered by the Working Group on reform procedures for determining reimbursement for contingent-owned equipment, as requested by the Assembly in its resolution 57/321. However, in its report (A/C.5/58/37 and Corr.1), the Working Group indicated that consensus on the methodology proposed could not be reached. Details on the Working Group's discussions on the various cost components are provided in annex IV of its report.

Proposed methodology for rates of reimbursement

172. The Secretary-General's detailed proposals on the methodology for rates of reimbursement, the questionnaire for troop-contributing countries and the daily allowance for troops are contained in his report (A/60/725 and Add.1), which was submitted pursuant to paragraph 6 of General Assembly resolution 59/298.

Background

173. An overview of the historical background on the application of standard rates of reimbursement to Governments of troop-contributing countries for the costs incurred by them in providing troops for service in the United Nations peacekeeping forces is provided in the introduction to the report (A/60/725, paras. 1-7).

174. The principle of standard rates of reimbursement, on an equal basis, to be made to Governments of troop-contributing countries for the costs incurred by them in providing troops for service in the United Nations peacekeeping forces was established by the General Assembly in 1974,[1] with effect from 25 October 1973. The standard rates of reimbursement to troop-contributing countries were initially established for pay and allowances and a supplementary payment for a limited number of specialists. In 1975, the General Assembly approved the principle of reimbursing troop-contributing countries for the usage factor of personal clothing, gear and equipment and personal weaponry, including ammunition issued to their troops for service in the United Nations peacekeeping forces.[2]

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[1] *Official Records of the General Assembly, Twenty-ninth Session, Supplement No. 31* (A/9631 and Corr.2), p. 140, item 84.

[2] Ibid., *Thirtieth Session, Supplement No. 34* (A/10034), p. 148, item 107.

175. The calculation of the standard rates of reimbursement established in 1973 was based on the following considerations: (a) a principle of equality in service for troops serving side by side in peacekeeping forces and providing identical services; (b) that no Government should receive a higher reimbursement than its actual costs; and (c) that troop-contributing countries should be reimbursed at least the actual overseas allowance paid to their troops. It was recognized that, based on a standard rate-of-reimbursement formula, some troop-contributors would not receive full reimbursement for the expenses borne by them in providing troops to the United Nations peacekeeping forces. That portion of the costs to troop-contributing countries that is not compensated by the standard rates of reimbursement and which is absorbed by the respective Member State is referred to as the "absorption factor".

176. The Secretary-General undertakes periodic reviews of cost data provided by the troop-contributing countries, and determines, in consultation with the troop-contributing countries, whether changes in the average overall absorption factor of the troop-contributing countries warrant a change in the rate of reimbursement and makes recommendations to the Assembly accordingly. In its resolution 42/224, the General Assembly recommended a review by the Secretary-General, in consultation with the troop-contributing countries, at least once every two years, if, in the light of inflation and currency-rate exchange fluctuations or other factors brought to the attention of the Secretary-General, the rates affected the absorption factor of two or more of the troop-contributing States.

177. Rates of reimbursement for pay and allowances and specialist services effective since 1973, were reviewed in 1975, 1977, 1980, 1985, 1987, 1989, 1991 and 1996, and revised by the General Assembly in 1977, 1980 and 1991. On the basis of the 1996 survey, the Secretary-General had recommended an increase, but the General Assembly decided not to approve a revision of the rates at that time, owing to the inconsistencies in the underlying data, as pointed out by the Advisory Committee (A/54/859, para. 7). In 2001 and 2002, the Assembly decided to increase the standard rate of reimbursement for troop costs on an interim, ad hoc basis (General Assembly resolution 55/274, paras. 10 and 11).

178. A summary of the evolution of the rates of reimbursement by category is provided in the report of Secretary-General (A/60/725, table 1). The Advisory Committee notes that the monthly rates of reimbursement for troop costs have evolved from $500 to $1,028 per peacekeeper, from $150 to $303 for specialist pay, from $65 to $68 for personal equipment and have remained unchanged for personal weaponry, at $5, since 1975, when they were first approved by the General Assembly.

Proposed methodology

179. The guidance provided by the General Assembly in its resolution 55/274 (paras. 8 and 9) for developing the methodology is outlined in section II A of the Secretary-General's report. In that resolution, the Assembly decided that future standard rates of reimbursement should be based on new survey data that would be representative of the costs incurred by around 60 per cent of the countries having contributed troops to peacekeeping operations, and that reimbursement for troop costs should take into consideration, inter alia, general principles such as simplicity, equity, transparency, comprehensiveness, portability, financial control and audit.

180. The Advisory Committee was informed that the Secretariat had constituted a joint working group of the Department of Management and the Department of Peacekeeping Operations to develop the methodology and had called upon in-house and external specialists, as necessary, for expertise in areas such as statistical methods. The working group also had informal consultations with troop-contributing countries and Member States during the development of the methodology. Following a presentation of the proposed methodology to the permanent missions in February 2006, the proposed methodology was adjusted to take into account feedback from Member States. One such adjustment was the application of separate rates of reimbursement for infantry and enabling units, instead of a single rate for all troops (see para. 190 below).

181. The methodology proposed by the Secretary-General consists of four phases, namely, survey design, data collection, data analysis and reporting.

Survey design

182. The survey design phase would comprise a proposed timeline for the periodicity of surveys; criteria for determining the troop-contributing countries to be surveyed and ensuring that comprehensive and representative data is gathered; the languages and mode of dissemination of the questionnaire; and the support to be provided to Member States in filling out the forms of the questionnaire (ibid., paras. 14-23).

183. With respect to the timeline proposed in figure 3 of the report, the Advisory Committee was informed that the first survey would be conducted in 2009 as it was not undertaken as envisioned, in 2006. Following the first survey there would be three annual surveys, until 2012. An analysis of the experience acquired and results achieved during the first phase (2009-2012) would be carried out in 2013 to determine whether the next phase should proceed according to plan. Starting in 2012, a survey would be conducted every three years, followed by a report to the General Assembly.

184. The Advisory Committee notes that the first survey would serve to establish a new baseline for subsequent reviews, since the last survey, in 1996, which was based on a different methodology and contained some inconsistencies, could not be used for that purpose (see para. 177 above). The Committee also notes that, under the proposed methodology, the population of the survey would include all Member States having contributed troops during the three years preceding the survey, rather than only those with troops in active peacekeeping missions at a predetermined date, as was the case in previous surveys. **The Committee trusts that the revised methodology will ensure an inclusive approach and cover a maximum number of troop-contributing countries.**

Data collection

185. The data collection phase would involve identification of the cost components to be included or excluded from the proposed methodology, the design of the questionnaire sheets for each cost component and the portfolio of evidence to be provided by respondents to substantiate the information provided in the questionnaire. Details on this phase are provided in the Secretary-General's report (A/60/725, paras. 24-48).

186. Cost components included in the different surveys have evolved over time, as summarized in table 3.

Table 3
Cost components

Cost component	*Reviews conducted from 1991 to 1997*	*Review conducted in 1996*	*Proposed methodology*
Pay and allowances — troops	X	X	X
Pay and allowances — formed police units			X
Specialist pay	X	X	X
Personal clothing, gear and equipment (usage factor)	X	X	X
Personal weaponry (usage factor)	X	X	X
Predeployment medical costs		X	X
Travel costs		X	X
Peacekeeping training costs		X	
Post-deployment medical costs		X	

187. The reasons for excluding collection of data on peacekeeping training and post-deployment medical costs, which was gathered in previous surveys, are given in the report of the Secretary-General (A/60/725, paras. 26-28). The Advisory Committee notes that the pay and allowance data would be collected separately for troops and formed police units, enabling the General Assembly to apply identical or differentiated rates of reimbursement for troops and police.

188. It is proposed to request cost data in national currencies rather than in United States dollars and to apply the rate of exchange effective on the date the survey is sent out to troop-contributing countries (A/60/725, para. 29). As explained by the Secretary-General in footnote 8 of his report, the use of the United Nations rate of exchange at a given date is preferable to a moving average of exchange rates, for example for a three-year period, since the cost data is also provided in terms of a given date. Furthermore, the use of a moving average of exchange rates would also necessitate the use of average cost data, which would be very complex and reduce the reliability of the data.

Data analysis

189. Details on the data analysis phase are set out in paragraphs 49 to 71 of the Secretary-General's report. This phase would involve establishing criteria for determining the minimum response rate at which the results of the survey could be considered to be valid, analysing the results of the survey, establishing the average costs of troop-contributing countries and elaborating a method for calculating the average absorption factor.

190. At present, separate standard rates of reimbursement are established for each of the four cost components, (pay and allowances for troops and police units, including predeployment and medical costs; specialist pay; usage of personal clothing, gear and equipment; and personal weaponry). With the proposed methodology, all cost components would be combined under a single rate so as to facilitate comparison of the rates of reimbursement with the average costs per peacekeeper per month. It is also proposed to establish different rates of

reimbursement for infantry units and enabling units, taking into account a proportion of 10 and 25 per cent of specialist personnel, respectively (A/60/725, paras. 62-68; see also para. 176 above).

191. As indicated in paragraph 175 above, the absorption factor represents the portion of the costs to troop contributing countries that is not compensated by the standard rates of reimbursement and which is absorbed by the respective Member State. The overall absorption factor is determined through the consolidation of the individual absorption factors of troop-contributing countries. At present, the overall absorption factor is determined as an average of the aggregation of the absorption factors of all the surveyed troop-contributors, representing an "average of percentages". The Secretary-General indicates that this mode of calculation is overly sensitive to outlying cases with very high or very low absorption rates, giving rise to possible distortions. In order to limit such distortions, the Secretary-General proposes an alternative method of calculation, described as "average of averages" (see A/60/725, paras. 52-56).

192. From the data shown in table 3 of the report of the Secretary-General (A/60/725, para. 60), the total monthly reimbursement for peacekeepers amounts to $1,101 and $1,404 for non-specialists and specialists, respectively. The application of the new methodology to the current rates would result in monthly rates of:

(a) $1,131 per peacekeeper in an infantry battalion, on the assumption of a ratio of 10 per cent specialists and 90 per cent non-specialists (see A/60/725, paras. 64 and 65, figures 8a and 8b);

(b) $1,177 per peacekeeper in an enabling unit, on the assumption of a ratio of 25 per cent specialists and 75 per cent non-specialists (A/60/725, paras. 66 and 67, figures 9a and 9b).

In order to facilitate the General Assembly's consideration of the revised methodology, the Advisory Committee requests that a mock-up of the application of this formula to current data on peacekeepers as well as the application of the proposed method for calculating the absorption factor, be developed and provided to the Assembly at the time of its consideration of this item.

Reporting

193. Under current practice, the Secretary-General makes recommendations to the General Assembly on whether changes to the rates of reimbursement for troop costs are warranted, taking into account changes of the average overall absorption factor. With the proposed methodology, the Secretary-General would no longer make recommendations on changes to the rates of reimbursement. Instead, the Secretariat would focus on providing valid, representative, comprehensive and reliable information and analyses to the General Assembly in order to support informed decision-making on rates of reimbursement. OIOS would conduct an audit of the Secretariat's performance with respect to the quality of data collection and analysis. **The Advisory Committee notes that the provision of raw data to the Assembly may result in a gap as regards the interpretation of such data and its translation into actionable information, including the implications of decisions to be taken on rates of reimbursement.**

Proposed methodology for daily troop allowance

194. As indicated in the report of the Secretary-General (A/62/725, paras. 75-77), previous reviews have not considered the daily allowance for troops and its rate has remained unchanged since 1974. In the absence of a methodology, the Secretary-General proposes a three-tiered approach for collecting data and views on the daily allowance: (a) as part of the questionnaire presented in the questionnaire for surveying troop-contributing countries (A/60/725/Add.1); (b) in a questionnaire to force commanders in peacekeeping missions; and (c) in a separate questionnaire to randomly selected peacekeepers deployed to missions. The Secretariat would summarize the collected data from the three surveys and report to the General Assembly its findings for further consideration.

Recreational leave allowance

195. The Secretary-General's proposals for recreational leave allowance are set out in paragraphs 9 to 11 of his updated report (A/63/697). The Secretary-General welcomes the recommendation of the 2008 Working Group on Contingent-Owned Equipment for an increase in recreational leave allowance from the current 7 days to 15 days (A/C.5/62/26). The Advisory Committee had concurred with the recommendation of the Working Group in the context of its consideration of the Secretary-General's report on reformed procedures for determining reimbursement to Member States for contingent-owned equipment (A/62/774 and Corr.1; and A/62/851, para. 9).

Conclusion

196. **The actions to be taken by the General Assembly are set out in paragraphs 12 (a) to (e) of the Secretary-General's updated report on the review of the methodology for rates of reimbursement to troop-contributing countries (A/63/697).**

197. **The Advisory Committee notes the Secretary-General's intention to provide valid, reliable and comprehensive data, which would constitute an improved basis for informed decision-making by the General Assembly and would also be more transparent. The Committee further notes that the application of the methodology could lead to a change in the current applicable rates of reimbursement. Notwithstanding its observations in paragraphs 192 and 193 above, the Committee does not object to the Secretary-General's proposals.**

Annex I

Roles, responsibilities and resources for all actors in the budget process for peacekeeping operations

Actors	*Roles and responsibilities*	*Authorized budget posts*
Field operations (34) UNAMID, UNMIL, UNMIS, MONUC, UNOCI, MINURCAT, MINURSO, United Nations support for the African Union Mission in Somalia, UNIFIL, MINUSTAH, UNMIT, UNDOF, UNOMIG, UNFICYP, UNMIK, UNLB, UNMOGIP, UNTSO, BONUCA, Committee on Missing Persons in Cyprus, CNMC, UNSCOL, UNAMA, UNAMI, UNOWA, UNOGBIS, UNPOS, UNSCO, UNIPSIL, BINUB, UNRCCA, Special Envoy of the Secretary-General for the Lord's Resistance Army — affected areas, Special Adviser to the Secretary-General on Cyprus, UNMIN	• Formulate resource requirements and submit budget proposals from missions to Headquarters • Define operational requirements to enact the mandate and ensure responsible stewardship of organizational resources • Manage the allotment of funds to the mission • Monitor and record progress in achieving results-based budgeting and manage the portfolio of evidence • Prepare the budget performance report • Advise mission management on budget issues	99 posts[a] (39 Professional, 25 Field Service, 5 UNV, 30 national staff)
Headquarters		
Department of Field Support (support to 34 field operations and 8 liquidating missions)	• Coordinate the formulation of budgets and performance reports for 34 field operations through the issuance of master budgetary calendars for peacekeeping operations and special political missions; coordinate issuance of Department of Field Support budget guidelines (policies and standard ratios/costs) to the field, and coordinate information exchange between Department of Field Support cost centres, Department of Peacekeeping Operations and Department of Political Affairs substantive offices and the field during budget formulation and after budget submissions to ensure timely action by all budget stakeholders • Advise Department of Peacekeeping Operations and Department of Political Affairs on results-based-budgeting methodology	**Field Budget and Finance Division/Budget and Performance Reporting Service** 43 posts (23 Professional, 20 General Service)

Actors	*Roles and responsibilities*	*Authorized budget posts*
	• Advise and provide guidance to the 34 field operations on budget policies, procedures, rules and regulations, results-based budgeting and recommendations by legislative bodies during budget formulation, including by leading Abacus team field visits, composed of staff from all Department of Field Support divisions	
	• Advise Department of Peacekeeping Operations and Department of Political Affairs on budgetary issues requiring decisions to finalize budget submissions to the Controller	
Department of Peacekeeping Operations/Department of Political Affairs	Provide overall direction of mission operations, including the finalization of budget proposals that consider specific missions within the overall direction of peacekeeping and special political missions	Nil[b]
Department of Management	• Established policies, procedures and methodology for the estimation of resource requirements and provide policy guidance, consistent with the Financial Regulations and Rules of the United Nations, on matters relating to the financing of peacekeeping operations and special political missions	48 posts[c] (35 Professional, 13 General Service, including general temporary assistance positions)
	• Scrutinize and conduct thorough review and analysis of budget proposals and undertake a detailed review for consistency across missions; validate accuracy of budget proposals	
	• Review and validate linkage of the results-based budget and resource requirements to the missions' mandates; formulate operational planning assumptions; review past performance	
	• Review and validate compliance with: (a) Budgetary policies and guidance established by the Controller (b) Recommendations, decisions and requests by legislative bodies (c) Results-based-budget methodology	

Actors	*Roles and responsibilities*	*Authorized budget posts*
	• Prepare reports of the Secretary-General to the General Assembly on the financing of peacekeeping operations	
	• Prepare supplementary information package for the Advisory Committee on Administrative and Budgetary Questions	
	• Present the proposed budgets to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee, supported by missions and the Departments of Peacekeeping Operations and Field Support	
	• Review, submit and coordinate written responses to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee	
	• Prepare parliamentary documentation for the Fifth Committee	

[a] Excludes posts in 11 field operations (BONUCA, Committee on Missing Persons in Cyprus, CNMC, UNSCOL, UNOWA, UNOGBIS, UNPOS, UNRCCA, Special Envoy of the Secretary-General for the Lord's Resistance Army — affected areas, Special Adviser to the Secretary-General on Cyprus, UNLB) where no dedicated budget posts exist, but where budget tasks form part of the duties of the Administrative Officer or Finance Officer. Also excludes any United Nations support for the African Union Mission in Somalia posts yet to be approved.

[b] Does not include Executive Office posts under the support account.

[c] Includes staff of the Programme Planning and Budget Division responsible (as part of their overall work assignments) for the support of special political missions and staff of the Peacekeeping Financing Division. The incumbents of these posts also perform financial management functions, including, with respect to general trust funds, mission-specific trust funds and sections of the regular budget of the United Nations, prepare statements of financial implications for the Security Council and other reports on activities other than peacekeeping operations authorized by the Council, monitor expenditures, monitor cash flow of the special account for each peacekeeping operation, authorize payments to Governments for the settlement of certified contingent-owned equipment claims and establish amounts reimbursable and initiate payments of troop cost liabilities to Governments.

Annex II

Redeployments for the period from 1 July 2007 to 30 June 2008

(Thousands of United States dollars)

Combined average percentage of redeployment for all missions: 1.61 per cent

	Appropriation			*Percentage of redeployment to total appropriation*	*Reasons for redeployment*
	Original distribution	*Redeployment*	*Revised distribution*		
MINURCAT					
Military and police personnel	6 931	—	6 931		Redeployment was effected from civilian personnel to operational requirements to obligate funds for the technical agreement with the European Union under facilities and infrastructure and for the acquisition of vehicles and freight-related costs to cover higher than budgeted freight charges. Lower requirements for civilian personnel are due to higher vacancy rates than budgeted.
Civilian personnel	28 011	(6 510)	21 501		
Operational requirements	147 502	6 510	154 012		
Subtotal	**182 444**	—	**182 444**	3.57	
MINURSO					
Military and police personnel	6 556	32	6 588		Funds were redeployed to military and police personnel to cover additional requirements for the rotation of military observers as a result of the depreciation of the value of the United States dollar with respect to the Moroccan dirham. Additional funds redeployed to civilian personnel were due to the lower than budgeted overall vacancy rate. Reduced requirements under operational requirements were due mainly to the lower than planned number of hours flown by fixed-wing aircraft and helicopters, the cancellation of the acquisition of the closed-circuit television system and the non-replacement of air conditioners.
Civilian personnel	15 113	720	15 833		
Operational requirements	24 407	(752)	23 655		
Subtotal	**46 076**	—	**46 076**	1.63	
MINUSTAH					
Military and police personnel	255 445	7 272	262 717		Funds were redeployed to military and police personnel to meet additional funding requirements for mission subsistence allowance for staff officers, in lieu of troop cost payments, and for United Nations police officers, owing to a lower than budgeted vacancy rate, as well as to cover the shortfall for the rotation for military contingents and formed police units. Funds were redeployed to civilian personnel to cover the shortfall due to a lower than budgeted vacancy rate and an increase in the mission subsistence allowance rate. Reduced requirements under operational requirements were the result of lower COSB for rental of premises, maintenance services, construction services, firefighting and meteorological services and the acquisition of communications and information technology equipment.
Civilian personnel	118 819	2 027	120 846		
Operational requirements	161 109	(9 299)	151 810		
Subtotal	**535 373**	—	**535 373**	1.74	

	Appropriation			Percentage of redeployment to total appropriation	Reasons for redeployment
	Original distribution	*Redeployment*	*Revised distribution*		
MONUC					
Military and police personnel	476 660	1 936	478 596		Funds were redeployed to military and police personnel to cover the increased costs of rations due to a new rations contract. Funds were redeployed to civilian personnel to cover additional requirements for national staff and United Nations Volunteers due to increased personnel costs for national staff as a result of a comprehensive grade level review of national staff and the lower than budgeted vacancy rate for national General Service staff. Additional requirements for United Nations Volunteers were due to an increase in the hazard pay rate and resettlement allowance and the lower than budgeted average vacancy rate. Reduced requirements for aircraft rental and operation and petrol, oil and lubricants are due to the lower than planned number of hours flown owing to increased reliance on surface transportation for the movement of cargo and delays in the procurement process related to search-and-rescue helicopters and the unavailability of a police helicopter from contributing countries, for which no commercial alternative could be identified.
Civilian personnel	205 838	17 272	223 110		
Operational requirements	430 241	(19 208)	411 033		
Subtotal	**1 112 739**	**—**	**1 112 739**	1.73	
UNAMID					
Military and police personnel	279 576	—	279 576		
Civilian personnel	113 026	—	113 026		
Operational requirements	883 051	—	883 051		
Subtotal	**1 275 654**	**—**	**1 275 654**	—	
UNDOF					
Military and police personnel	19 699	—	19 699		
Civilian personnel	8 727	—	8 727		
Operational requirements	11 237	—	11 237		
Subtotal	**39 663**	**—**	**39 663**	—	
UNFICYP					
Military and police personnel	22 530	(1 046)	21 484		Funds were redeployed from military and police personnel and operational requirements owing to the lower round-trip costs for the rotation of contingents and use of national military flights by some contingent personnel, reduced requirements for alteration and renovation services and the acquisition of accommodation equipment, to cover increases in post adjustment and common staff costs for civilian personnel and the weakening of the United States dollar against the Cyprus pound from July to December 2007 and against the euro from January 2008 onward.
Civilian personnel	13 414	1 233	14 647		
Operational requirements	14 290	(187)	14 103		
Subtotal	**50 234**	**—**	**50 234**	2.45	

	Appropriation			Percentage of redeployment to total appropriation	Reasons for redeployment
	Original distribution	Redeployment	Revised distribution		
UNIFIL					
Military and police personnel	375 536	(6 135)	369 401		Funds were redeployed from unencumbered balances under military and police personnel and civilian personnel, owing to the delayed deployment/recruitment of personnel, to cover additional operational requirements related to the cost of the acquisition of additional vehicles; the increased unit cost of petrol, oil and lubricants; and the cost of additional flight hours.
Civilian personnel	109 420	(1 650)	107 770		
Operational requirements	228 631	7 785	236 416		
Subtotal	**713 587**	—	**713 587**	1.09	
UNMEE					
Military and police personnel	45 457	3 105	48 562		Funds were redeployed to military and police personnel to meet mission subsistence allowance requirements for staff officers in lieu of troop cost payments, and for freight for contingent-owned equipment as a result of the early and unplanned relocation and repatriation of military contingents. Funds were redeployed to civilian personnel to cover increased requirements for national staff due to a change in the salary scale and higher requirements for United Nations Volunteers owing to an increase in the living allowance rate. Funds were redeployed from operational requirements due to lower requirements for security services, mine detection and mine-clearing services owing to a decrease in costs and the non-utilization of provisions made and to the lower utilization of fuel as a result of the fuel restrictions imposed by the host Government.
Civilian personnel	24 530	526	25 056		
Operational requirements	43 497	(3 631)	39 866		
Subtotal	**113 484**	—	**113 484**	3.20	
UNMIK					
Military and police personnel	74 975	(1 717)	73 258		Funds were redeployed to civilian personnel due to the appreciation of the exchange rate of the euro vis-à-vis the United States dollar resulting in increased expenditure with respect to international staff mission subsistence allowance and national staff costs. Funds were redeployed from military and police personnel owing to lower requirements for contingent-owned equipment and freight costs for formed police units. Funds were redeployed from operational requirements due to lower requirements for maintenance services and supplies for facilities and for communications, owing to the drawdown of the Mission.
Civilian personnel	117 676	5 377	123 053		
Operational requirements	27 825	(3 660)	24 165		
Subtotal	**220 476**	—	**220 476**	2.44	
UNMIL					
Military and police personnel	357 843	(2 572)	355 271		The redeployment to civilian personnel was to cover common staff costs. The redeployment to operational requirements was to cover air transportation requirements for the rotation of troops within the region. Lower requirements for military and police personnel were due to the phased repatriation of military contingents resulting in lower requirements for troop costs and contingent-owned equipment.
Civilian personnel	117 090	1 349	118 439		
Operational requirements	213 397	1 223	214 620		
Subtotal	**688 330**	—	**688 330**	0.37	

	Appropriation			Percentage of redeployment to total appropriation	Reasons for redeployment
	Original distribution	Redeployment	Revised distribution		
UNMIS					
Military and police personnel	267 764	13 061	280 825		Funds were redeployed from operational requirements to military and police personnel and civilian personnel to cover increases in mission subsistence allowance rates and national staff salary scales. Reduced operational requirements were due to the partial execution or deferral of some planned construction projects as the Mission focused on other priority projects to address critical operational requirements and to reduced requirements for air transportation as a result of a lower number of hours flown than budgeted, which resulted in lower actual fuel consumption and lower rental and operation costs.
Civilian personnel	151 116	28 359	179 475		
Operational requirements	427 397	(41 420)	385 977		
Subtotal	**846 277**	—	**846 277**	4.89	
UNMIT					
Military and police personnel	60 677	224	60 901		Funds were redeployed from operational requirements to military and police personnel and civilian personnel to cover increased requirements for the payment of mission subsistence allowance attributable to the revision in rates, and to civilian personnel to cover increased requirements attributable to the postponement of the drawdown owing to the security situation in Timor-Leste and the postponement of elections. Reduced operational requirements were due to the discontinuation of the requirement for a level 2 hospital.
Civilian personnel	58 965	1 506	60 471		
Operational requirements	49 954	(1 730)	48 224		
Subtotal	**169 596**	—	**169 596**	1.02	
UNOCI					
Military and police personnel	242 439	(2 771)	239 668		Redeployment to operational requirements was due to the weaker than budgeted exchange rate for the United States dollar against the euro; increased requirements for ground transportation attributable to an increase in the price of diesel fuel and increased requirements for travel (overnight stays) of military, police and civilian staff between regional locations following security restrictions imposed on road trips after daylight hours and as a result of increased travel in relation to consultations on the implementation of the Ouagadougou Political Agreement and its supplementary agreements. Reduced requirements under military and police personnel were due to lower requirements for travel on emplacement, rotation and repatriation, reduced requirements for civilian personnel as a result of the suspension of the payment of hazard allowance.
Civilian personnel	91 471	(2 396)	89 075		
Operational requirements	136 946	5 167	142 113		
Subtotal	**470 856**	—	**470 856**	1.10	
UNOMIG					
Military and police personnel	4 776	(87)	4 689		Funds were redeployed from unencumbered balances under military and police personnel, owing to the delayed deployment of personnel, to cover salary increases due to the revision of the salary scales for national staff and due to the loss on exchange under operational requirements.
Civilian personnel	20 102	58	20 160		
Operational requirements	10 132	29	10 161		
Subtotal	**35 010**	—	**35 010**	0.25	

Annex III

Proposed requirements for the period from 1 July 2009 to 30 June 2010

(Thousands of United States dollars. Budget year is from 1 July to 30 June.)

Peacekeeping component	*Apportionment 2007/08*	*Expenditure 2007/08*	*Apportionment 2008/09*	*Proposed budget 2009/10*	*Variance*	
					Amount	*Percentage*
MINURCAT[a]	182 444.0	165 183.7	440 795.5	768 190.1	327 394.6	74.3
MINURSO	46 075.8	45 520.3	45 600.8	54 358.3	8 757.5	19.2
MINUSTAH	535 372.8	534 068.2	574 916.5	618 624.0	43 707.5	7.6
MONUC	1 112 739.5	1 071 488.8	1 187 676.4	1 423 169.6	235 493.2	19.8
UNAMID	1 275 653.7	1 056 478.6	1 499 710.0	1 789 411.2	289 701.2	19.3
UNDOF	39 662.5	42 179.7	45 726.0	45 369.6	(356.4)	(0.8)
UNFICYP	50 233.9	50 232.0	54 851.1	55 996.2	1 145.1	2.1
UNIFIL	713 586.8	591 589.0	650 755.6	646 580.4	(4 175.2)	(0.6)
UNMEE[b]	113 483.4	106 085.2	37 016.4	—	(37 016.4)	(100.0)
UNMIK	220 476.4	220 466.6	198 012.0	47 082.0	(150 930.0)	(76.2)
UNMIL	688 330.6	649 469.1	603 708.0	593 436.0	(10 272.0)	(1.7)
UNMIS[c]	846 277.2	820 459.5	876 893.7	980 561.1	103 667.4	11.8
UNMIT	169 596.3	162 633.4	172 842.0	210 610.0	37 768.0	21.9
UNOCI	470 856.1	465 272.0	475 402.6	505 799.5	30 396.9	6.4
UNOMIG	35 009.8	32 777.3	34 484.2	38 838.5	4 354.3	12.6
Support for the African Union Mission in Somalia[d]	2 149.0	2 149.0	75 641.9	—	(75 641.9)	(100.0)
Subtotal missions	**6 501 947.8**	**6 016 052.4**	**6 974 032.7**	**7 778 026.5**	**803 993.8**	**11.5**
UNLB	40 379.6	40 201.5	45 769.0	68 284.3	22 515.3	49.2
Support account	230 509.9	222 450.8	282 401.9	324 447.1	42 045.2	14.9
Subtotal resources	**6 772 837.3**	**6 278 704.7**	**7 302 203.6**	**8 170 757.9**	**868 554.3**	**11.9**
Voluntary contributions in kind (budgeted)	7 754.2	8 655.7	7 799.8	9 539.9	1 740.1	22.3
Total resources	**6 780 591.5**	**6 287 360.4**	**7 310 003.4**	**8 180 297.8**	**870 294.4**	**11.9**

[a] For the 2008/09 period, includes appropriation of $301,124,200 (General Assembly resolution 62/233 B and commitment authority of $139,671,300 (General Assembly resolution 63/274).

[b] Mandate terminated effective 31 July 2008 (Security Council resolution 1827 (2008)).

[c] For the 2008/09 period, includes initial appropriation of $820,720,600 (General Assembly resolution 62/267) and an additional appropriation of $56,173,100 (General Assembly resolution 63/273).

[d] Represents commitment authority for the period 1 May 2007 to 30 June 2008 and from 1 July 2008 to 30 June 2009 (General Assembly resolution 63/275). Pending a decision of the Security Council on the establishment of a United Nations peacekeeping operation in Somalia, estimates for the 2009/10 period are not yet available.

Annex IV

Peacekeeping budget: process overview

Process	*What*	*When (budget 2008/09)*	*Who*
Planning/guidance	1. Budget instructions	July	Department of Management/ Peacekeeping Financing Division
	2. Strategic guidance		Department of Peacekeeping Operations/Department of Field Support
	3. Support budget guidance		Department of Field Support
Preparation	4. Mission budget submission		Mission/Department of Peacekeeping Operations/ Department of Field Support
	Results-based budgeting	August	
	Staffing	Early September	
	Cost estimates	Early/mid-October	
	Final submission	Late October	Department of Peacekeeping Operations/Department of Field Support
	5. Budget proposal of the Secretary-General	November-January	Department of Management/ Peacekeeping Financing Division
Approval	6. Review by the Advisory Committee on Administrative and Budgetary Questions and approval by the General Assembly	February-May/June	Advisory Committee on Administrative and Budgetary Questions, Fifth Committee

While preparing 2008/09 budgets, the Secretariat is at the same time implementing the 2007/08 budget and preparing the 2006/07 performance report.

Annex V

Financial implications of General Assembly resolution 63/250 on 2009/10 budgets

(In thousands of United States dollars)

			Estimated staff costs prior to adoption of resolution			*Estimated staff costs after adoption of resolution*		
Mission[a]	*Number of international posts*	*Vacancy rate for international posts*	*Total salaries and common staff costs (1)*	*Mission subsistence allowance (2)*	*Total international staff costs (3)=(1)+(2)*	*Total additional salaries and common staff costs (4)*	*Total international staff costs (5)=(3)+(4)-(2)*	*Net impact of resolution (6)=(5)-(3)*
MINURCAT	595	25	34 721.2	29 720.0	64 441.2	35 698.2	70 419.4	5 978.2
MINURSO	108	10	8 907.8	1 915.8	10 823.6	3 846.1	12 753.9	1 930.3
MINUSTAH	534	9	45 800.0	26 691.7	72 491.7	30 928.6	76 728.6	4 236.9
MONUC	1 185	15	89 209.5	60 729.7	149 939.2	62 005.6	151 215.1	1 275.9
UNAMID	1 524	30	95 626.4	49 863.8	145 490.2	74 014.2	169 640.6	24 150.4
UNMIK	173	15	13 681.3	5 182.8	18 864.1	9 630.3	23 311.6	4 447.5
UNMIL	544	15	44 413.9	21 781.1	66 195.0	29 068.8	73 482.7	7 287.7
UNMIS	1 140	22	73 997.4	44 445.3	118 442.7	52 465.4	126 462.8	8 020.1
UNMIT	452	20	33 137.3	13 614.1	46 751.4	22 913.6	56 050.9	9 299.5
UNOCI	479	15	37 731.5	19 570.2	57 301.7	26 936.6	64 668.1	7 366.4
UNOMIG	114	15	9 651.2	3 339.8	12 991.0	5 254.3	14 905.5	1 914.5
Total	**6 848**		**486 877.6**	**276 854.3**	**763 731.9**	**352 761.7**	**839 639.3**	**75 907.4**

[a] The financial implications of the resolution do not apply to UNDOF, UNFICYP, UNIFIL and UNLB.

Annex VI

Revised fuel estimates for 2009/10 based on actual average costs for the first three months of 2009

(United States dollars)

	Cost per litre (per proposed budget)	*Average actual cost (Jan.-March 2009)*	*Proposed budget*	*Revised calculations*	*Variance*
MINURCAT					
Facilities and infrastructure	1.47	1.31	54 002 900	48 125 000	(5 877 900)
Ground transportation	1.44	1.31	11 763 900	10 704 200	(1 059 700)
Air transportation	1.69	1.43	32 498 900	27 499 100	(4 999 800)
Naval transportation					
Subtotal			**98 265 700**	**86 328 300**	**(11 937 400)**
MINURSO					
Facilities and infrastructure	0.48	0.51	591 800	628 800	37 000
Ground transportation	0.48	0.51	349 700	372 000	22 300
Air transportation	0.65	0.57	2 650 000	2 300 000	(350 000)
Naval transportation					
Subtotal			**3 591 500**	**3 300 800**	**(290 700)**
MINUSTAH					
Facilities and infrastructure	0.67	0.50	6 866 900	5 151 200	(1 715 700)
Ground transportation	0.67	0.50	3 425 800	2 583 900	(841 900)
Air transportation	1.33	1.29	5 009 600	4 838 200	(171 400)
Naval transportation	0.50	0.47	1 455 000	1 367 700	(87 300)
Subtotal			**16 757 300**	**13 941 000**	**(2 816 300)**
MONUC					
Facilities and infrastructure	1.05	0.94	18 627 300	16 790 300	(1 837 000)
Ground transportation	1.05	0.94	15 533 900	13 914 500	(1 619 400)
Air transportation	0.95	0.75	50 845 800	40 065 700	(10 780 100)
Naval transportation	1.45	0.94	1 006 200	635 000	(371 200)
Subtotal			**86 013 200**	**71 405 500**	**(14 607 700)**
UNAMID					
Facilities and infrastructure	1.63	1.71	34 594 900	36 133 700	1 538 800
Ground transportation	1.63	1.73	18 271 300	19 282 200	1 010 900
Air transportation	1.46	1.17	70 692 300	58 232 800	(12 459 500)
Naval transportation					
Subtotal			**123 558 500**	**113 648 700**	**(9 909 800)**

	Cost per litre (per proposed budget)	*Average actual cost (Jan.-March 2009)*	*Proposed budget*	*Revised calculations*	*Variance*
UNDOF					
Facilities and infrastructure	0.53	0.52	1 308 000	1 277 200	(30 800)
Ground transportation	0.53	0.53	692 000	692 000	—
Air transportation					
Naval transportation					
Subtotal			**2 000 000**	**1 969 200**	**(30 800)**
UNFICYP					
Facilities and infrastructure	0.77	0.65	224 000	164 700	(59 300)
Ground transportation	0.86	0.79	692 300	587 200	(105 100)
Air transportation	0.62	0.50	156 200	123 600	(32 600)
Naval transportation					
Subtotal			**1 072 500**	**875 500**	**(197 000)**
UNIFIL					
Facilities and infrastructure	0.54	0.46	10 847 200	9 681 200	(1 166 000)
Ground transportation	0.54	0.46	5 939 900	5 229 100	(710 800)
Air transportation	0.60	0.45	765 600	568 200	(197 400)
Naval transportation					
Subtotal			**17 552 700**	**15 478 500**	**(2 074 200)**
UNMIK					
Facilities and infrastructure	0.56	0.54	787 700	759 600	(28 100)
Ground transportation	0.56	0.54	272 400	262 700	(9 700)
Air transportation					
Naval transportation					
Subtotal			**1 060 100**	**1 022 300**	**(37 800)**
UNMIL					
Facilities and infrastructure	1.00	0.56	16 332 200	9 360 800	(6 971 400)
Ground transportation	1.00	0.56	11 253 900	6 264 600	(4 989 300)
Air transportation	1.18	0.64	13 869 300	7 555 000	(6 314 300)
Naval transportation	1.00	0.56	822 800	459 500	(363 300)
Subtotal			**42 278 200**	**23 639 900**	**(18 638 300)**
UNMIS					
Facilities and infrastructure	1.00	1.22	24 715 000	28 696 200	3 981 200
Ground transportation	1.00	1.22	14 247 400	15 894 400	1 647 000
Air transportation	0.90	1.05	35 704 200	39 440 800	3 736 600
Naval transportation	1.00	1.22	82 500	100 900	18 400
Subtotal			**74 749 100**	**84 132 300**	**9 383 200**

	Cost per litre (per proposed budget)	*Average actual cost (Jan.-March 2009)*	*Proposed budget*	*Revised calculations*	*Variance*
UNMIT					
Facilities and infrastructure	0.59	0.40	4 422 300	3 571 100	(851 200)
Ground transportation	0.59	0.40	1 742 700	1 417 200	(325 500)
Air transportation	1.01	0.60	1 813 800	1 075 700	(738 100)
Naval transportation					
Subtotal			**7 978 800**	**6 064 000**	**(1 914 800)**
UNOCI					
Facilities and infrastructure	0.99	0.98	1 652 900	1 638 000	(14 900)
Ground transportation	0.98	0.98	9 121 100	9 121 100	—
Air transportation	1.50	0.70	13 172 800	6 147 300	(7 025 500)
Naval transportation	0.99	1.04	31 800	33 400	1 600
Subtotal			**23 978 600**	**16 939 800**	**(7 038 800)**
UNOMIG					
Facilities and infrastructure	1.26	0.95	318 800	240 400	(78 400)
Ground transportation	1.26	0.95	611 000	459 000	(152 000)
Air transportation	1.26	0.99	874 300	690 400	(183 900)
Naval transportation					
Subtotal			**1 804 100**	**1 389 800**	**(414 300)**
Total fuel cost			**500 660 300**	**440 135 600**	**(60 524 700)**

Note: The cost estimates for fuel include the cost of fuel and other contractually stipulated operating costs.

Annex VII

Lean Six Sigma projects (phase I)

(a) **Material resource planning process (Logistics Support Division).** Goal: improve the planning, creation, consolidation and approval processes and strengthen ownership of the material resource plan. Average time to complete process is expected to improve from over 20 weeks to 20 days (80 per cent increase in efficiency).

(b) **Statement of work to initiation of request for proposals (Procurement and Logistics Support Divisions).** Goal: streamlined procedures for the development and communication of procurement requirements (statements of work) of the Department of Field Support (Logistics Support Division and Information and Communications Technology Division) and their submission to the Procurement Division for purchasing. Cycle time is expected to decrease from an average of 482 days to 53 days (90 per cent increase in efficiency).

(c) **Committee on Contracts process review (Procurement Division).** Goal: reduced cycle time for the submission of cases through the High-level Committee on Contracts. Improved process is expected to reduce cycle time from an average of 79 days to 63 days (20 per cent increase in efficiency).

(d) **Administration of systems contracts (Procurement Division).** Goal: reduction in time required to process purchase orders and amendments to systems contracts. Average cycle time is expected to decrease from five weeks to one week or less, resulting in missions receiving needed supplies a month faster than before (80 per cent increase in efficiency).

(e) **Police recruitment (Police Division).** Goal: streamlined selection and recruitment process for the deployment of United Nations police officers. The team developed a standardized and streamlined process that is expected to reduce the process cycle time from the current 150 days to 90 days (a 42 per cent increase in efficiency).

(f) **Business continuity preparedness (Department of Peacekeeping Operations/Department of Field Support Situation Centre).** Goal: integration of existing plans into one business continuity plan and policy. The project resulted in a draft business continuity plan that is sufficiently encompassing to ensure that both departments can continue to perform essential headquarters-level operations under all crisis conditions. Staff will be trained in the policy and plan and on measures to be taken in the event of a crisis so as to sustain critical support for Member States and field operations.

(g) **Deployment planning process (Logistics Support Division).** Goal: improved process of deployment of contingent-owned equipment for troop- and police-contributing countries. Project resulted in the creation of the troop- and police-contributing country deployment planning resource (online) designed to assist those countries in their planning and preparation for United Nations deployment. The project also identified significant challenges confronted by those countries in procuring and deploying their contingent-owned equipment and developed recommendations to alleviate those challenges. The latter recommendations will be advanced through appropriate presentations to Member States.

(h) **On-boarding process (Office of Human Resources Management and Field Personnel Division).** Goal: reduced time to on-board staff members selected for service in a United Nations peacekeeping operation or special political mission by removing bottlenecks and eliminating time-consuming and error-prone process variations, potentially reducing the on-boarding process time by up to 16 days, achieving faster candidate deployment.

(i) **Mission leadership: vacancy management and succession planning (Department of Field Support, Office of the Under-Secretary-General).** Goal: improved interdepartmental capacity to plan and manage senior appointments. The new process could reduce cycle time from 212 to 84 days (a 60 per cent reduction).

(j) **Staff selection process for field personnel (Office of Human Resources Management and Field Personnel Division).** Goal: improve selection process, which currently averages 162 days. Expected date of completion: 16 April 2009.

(k) **Reference-checking process (Office of Human Resources Management and Field Personnel Division).** Goal: standardized policies and procedures for reference-checking, the lack of which causes delays in the deployment of candidates. Expected date of completion: 17 April 2009.

Phase II of the business process improvement initiative and the Lean Six Sigma initiative will begin at the end of April 2009 with the goal of completing 20 projects, 8 with new "black belt" candidates and 16 with certified black belts (project leaders trained and certified in the Lean Six Sigma methodology). The identification of the phase II projects and the selection of new black belt candidates are under way.

Annex VIII

Analysis of common issues across United Nations peacekeeping operations[a]

Peacekeeping missions	Write-offs	Results-based budget	Management of cash, receivables and payables	Procurement	Expendable property	Non-expendable Property	Strategic deployment stocks	Contingent-owned equipment	Vehicle fleet management	Rations management	Air operations	Information and communications technology	Human resources management	Integrated mission planning process	Quick-impact projects	Resident auditors
UNAMID				X		X	X		X	X	X		X	X		X
UNMIS				X		X		X	X				X		X	X
UNIFIL				X		X		X		X		X	X		X	X
MINURCAT				X		X	X		X			X	X			
UNMIT					X	X			X	X	X			X		
UNFICYP						X										X
UNMEE	X		X			X										
MINURSO					X	X			X	X						
UNDOF					X	X			X	X						X
UNOMIG		X				X										
UNLB		X		X		X	X		X			X				
MINUSTAH				X	X	X					X	X	X		X	X
MONUC	X		X		X					X			X		X	X
UNMIK	X	X		X					X			X	X			X
UNMIL	X	X		X		X			X				X		X	X
UNOCI		X		X									X			X

[a] As indicated in the report of the Board of Auditors (A/63/5 (Vol. II)).

Annex IX

Inflationary effect on death compensation of $50,000

Consumer price index for urban consumer in the United States of America (1997)

Base period	*1982-1984=100*	*1997=100*	*Amount (United States dollars)*
1997	160.50	100.00	50 000.00
1998	163.00	101.56	50 778.82
1999	166.60	103.80	51 900.31
2000	172.20	107.29	53 644.86
2001	177.10	110.34	55 171.34
2002	179.90	112.09	56 043.61
2003	184.00	114.64	57 320.87
2004	188.90	117.69	58 847.35
2005	195.30	121.68	60 841.12
2006	201.60	125.61	62 803.74
2007	207.34	129.19	64 592.52
2008	215.30	134.15	67 072.59

Consumer price index for urban consumer in the United States of America (1991)

Base period	*1982-1984=100*	*1991=100*	*Amount (United States dollars)*
1991	136.2	100.00	50 000.00
1992	140.3	103.01	51 505.14
1993	144.5	106.09	53 046.99
1994	148.2	108.81	54 405.29
1995	152.4	111.89	55 947.14
1996	156.9	115.20	57 599.12
1997	160.5	117.84	58 920.70
1998	163	119.68	59 838.47
1999	166.6	122.32	61 160.06
2000	172.2	126.43	63 215.86
2001	177.1	130.03	65 014.68
2002	179.9	132.09	66 042.58
2003	184	135.10	67 547.72
2004	188.9	138.69	69 346.55
2005	195.3	143.39	71 696.04

Base period	*1982-1984=100*	*1991=100*	*Amount (United States dollars)*
2006	201.6	148.92	74 008.81
2007	207.342	152.23	76 116.74
2008	215.303	158.08	79 039.28

Note: United States city average for all items.
Source: United States Bureau of Labor Statistics.